
NXUBA LOCAL MUNICIPALITY



ANNUAL REPORT 2012/2013

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TABLE OF CONTENTS	PAGE NO
Component A: Mayor's foreword	5
Component B: Executive summary	6-7
1.1 Municipal Function, Population and environmental overview.....	8-10
1.2 Service Delivery overview.....	11
1.3 Financial Health Overview.....	11-12
1.4 Original Development Overview	13
1.5 Auditor General Report.....	13
Chapter 2: Governance	
Component A: Political and Administrative Governance	14
2.1 Political Governance.....	15
2.2 Administrative Governance.....	16-19
Component B: Intergovernmental relations	20
2.3 Introduction to co-operative governance and intergovernmental relations.....	20
Component C: Public Accountability and Participation	
2.4 Public Meetings.....	20-21
2.5 IDP Participation and Alignment	22
Component D: Corporate Governance	
2.6 Risk Management.....	23
2.7 Anti- Corruption and Fraud.....	23
2.8 Supply Chain Management.....	23
2.9 By-Laws.....	24
2.10 Websites.....	24
2.11 Public Satisfaction on Municipal Services.....	24
Chapter 3: Service Delivery Performance (Performance Report Part1)	
3.1 Introduction.....	25
3.2 Introduction to Water & Sanitation Provision.....	26-28
3.3 Electricity.....	28
3.4 Waste Management.....	29
3.5 Housing.....	29
3.6 Fire Basic Service and Indigent Support.....	30-31
3.7 Roads.....	31-32
3.8 Introduction to Planning and Development.....	32-33
3.9 Local Economic Development (including tourism and market places).....	33-34
Component D: Community & Social Services	
3.10 Introduction to Community and Social Services.....	34-35
3.11 Libraries, Community Facilities, other.....	35-36
3.12 Cemeteries.....	36
3.13 Introduction to Child care, Aged care, Social programmes	36

Component E: Environmental Protection	
3.14 Introduction to environmental protection	36
Component F: Corporate Policy Offices and Other Services	
3.15 Introduction to Corporate Policy Offices	37
3.16 Financial Services.....	37-38
3.17 Human Resources Services.....	38-40
3.18 Information and Communication Technology (ICT) Services.....	41
3.19 Property, Legal, Risk Management and Procurement Services.....	41
Component G: Organizational Performance Scorecard	
Chapter 4- Organizational Development Performance (Performance Report Part ii)	
Introduction: Component A: Introduction of the Municipal Personnel.....	42
4.1 Employee totals, Turnover & Vacancies.....	42-43
Component B: Managing the Municipal Workforce	44
4.2 Policies	44-45
4.3 Injuries, Sickness and Suspensions.....	45-47
Component C: Capacitating the Municipal Workforce	
4.4 Skills Development and Training.....	47-49
Chapter 5- Financial Performance	
Component A: Statements of Financial Performance.....	50
5.1 Statements of Financial Performance.....	50-52
5.2 Grants.....	53
5.3 Asset Management.....	54-56
Component B: Spending Against Capital Budget.....	56-58
5.4 Sources of Finance.....	59
5.5 Capital Spending on 5 Largest Projects.....	60
5.6 Capital Spending on 5 Largest Projects.....	61
Component C: Cash Flow Management and Investments.....	61-62
5.7 Borrowing and Investments.....	62
Component D: Other Financial Matters	
5.8 Supply Chain Management.....	62
Chapter 6- Auditor General Audit Findings	
Component A- Auditor General Opinion of Financial Statements.....	63
6.1 Auditor General Reports	63
Glossary.....	64-65
Appendix A-Councilor,Committes allocated & Council attendance.....	66
Appendix B- Committees and Committee purpose.....	66
Appendix C- Third tier Administrative structure.....	67
Appendix D- Recommendations of the Municipal Audit Committee.....	67-68
Appendix E- Ward Reporting.....	69-70
Appendix F (i)- Revenue Collection Performance by vote.....	71
Appendix F (ii)- Revenue Collection Performance by source.....	72

Appendix G- Conditional Grants Receive: Excluding MIG.....	73
Appendix H- Capital Expenditure- New Assets Programme.....	74
Appendix I-Capital Programme by Project 2012/2013.....	75
Appendix J- Capital Programme by Project by WARD 2012/2013 Financial year.....	75
Appendix K- Declaration of Loan and Grants made by the Municipality.....	75

Chapter 7: Municipal Key Performance Indicators

7.1 Municipal Transformation and Institutional Development	76
7.2 Basic Service delivery and Infrastructure Development	77-79
7.3 Local Economic Development.....	79
7.4 Municipal Financial Viability	80
7.5 Good Governance and Public Participation.....	80-81

COMPONENT A: MAYOR'S FOREWORD

FOREWORD BY THE MAYOR

The Mayor/Speaker, **Cllr Louisa Leonora “Dolly” Bruintjies**, is charged with the overall responsibility of providing political leadership to the Nxuba Local Municipality. Nxuba Annual Report for 2012/2013 is prepared in terms of Section 46 of the Local Government: Municipality Systems Act No.32 of 2000 and Section 121 of the Local Government: Municipal Finance Management Act No 56 of 2003 which requires that the council to prepare an Annual Report for each financial year and Mayor must table it within seven months after the end of each Financial Year.

The needs of Nxuba municipal area always outweigh available resources; hence the municipality is obliged to develop tactics to meet their developmental goals. The IDP, therefore, lists priorities for five years while at the same time prioritizing projects for each financial year. Alignment of the programmes became key in realizing our dream of sustainable development, without which we will not be able to witness the desired positive impact on the lives of our people, particularly the poorest in our society.

Following the disclaimer in the period of the 2011/2012 financial year, Council took a firm decision that a disclaimer was not acceptable and an urgent effort was required to improve the situation. Nxuba Municipality is working very hard in ensuring that our financial controls and procurement processes improve in order to positively affect the financial management of the Municipality.

Aging infrastructure of the Municipality has been a great challenge since its establishment; this has also contributed to the municipality's inability to generate adequate revenue.

The highlights during the year under review are the upgrading of the existing Adelaide Wastewater Treatment Works, Paving, roads & stormwater drainages, construction of community hall in Goodwin Park and beautification of four parks and recreation areas.

It is a humbling experience that on behalf of the people of Nxuba Municipality I present 2012/2013 Annual Report.

I thank you

Cllr Louisa Leonora “Dolly” Bruintjies

Mayor/Speaker

COMPONENT B: EXECUTIVE SUMMARY

MUNICIPAL MANAGER'S OVERVIEW

Nxuba Municipality has taken giant steps to ensure that it implements the Integrated Development Plan (IDP) during 2012 / 2013 financial year. The IDP had various developmental projects that were implemented. Chiefly amongst the projects were the constructions of drivers testing ground in Adelaide, paving of access roads in Adelaide's Red Town construction of Goodwin Park Community Hall in Bedford and paving of Bedford Town Streets. Furthermore, the organisational performance can also be measured in the following five (5) Key Performance Areas (KPA's) namely:

KPA 1: Municipal Transformation and Institutional Development

The organisational structure of the municipality was reviewed in order to align it to the Integrated Development Plan (IDP). The following were also identified as key areas that needed focus: Human Resources, Skills Development, Records Management, Information Technology, Council Support and Security Services.

Various training sessions were provided to municipal councillors, staff and ward committees in order to capacitate them, thereby enhancing their skills in order to perform their duties effectively. The Municipality also revised and adopted new policies and plans for the institution in order to carry out its mandate, including the Workplace Skills Plan. The Policies adopted are: Human Resources and Finance Policies. Also the internal audit function was co-sourced in the year under review and achievements in this field were noted as the Municipality has been without this function for a considerable period of time, but has now appointed an Internal Auditor.

It is worth mentioning that despite the achievements mentioned above, the Municipality experienced terminations in the following key positions during the year under review: Supply Chain Management Officer, IT Officer and LED Officer. These terminations have had a detrimental effect on the implementation of the Integrated Development Plan and the Council intends to fill them in due course.

KPA 2: Basic Service Delivery and Infrastructure Development.

The fencing of cemeteries is completed. In 2013/14 Nxuba Municipality is expected to complete the following projects which are MIG funded; Bedford Town Streets, Red Township Access Roads, Goodwin Park Hall and Traffic Testing Centre. All completed projects to date are as follows: Goodwin Park Access Road, Council Chamber & Municipal Offices, Fencing Of Adelaide Cemeteries and Fencing of Bedford Cemeteries. The existing Waste Management Plan is currently being reviewed by Hatch Goba. Hatch Goba is also reviewing Nxuba Municipality Electrical Problems.

It is estimated that about 98% of all households in Nxuba have access to electricity.

The housing sector plan has been developed. In the year under review, two housing projects were still blocked and construction therefore did not take place. The municipality took part in discussions with the Department of Human Settlements to resolve the matter so that construction can commence.

The Municipality has experienced intermittent breakages in the collection of refuse due to aged plant and equipment. The Municipality has not been able to address the huge backlogs in terms of service delivery due to financial constraints and limited funding from other spheres of government.

KPA 3: Local Economic Development

The Municipality has managed to develop and promote its enterprise development by providing business skills training to its SMME's. Focus in the 2012/2013 financial year was on agriculture and tourism. The Municipality, together with other Government Sectors, provided communities with food gardens and seeds with the aim to improve their livelihood. Funding for LED projects remains a great challenge in this Municipality. Nxuba has now developed its Local Economic Development Strategy.

KPA 4: Municipal Financial Viability and Management

The Municipality has been experiencing a number of challenges in its financial viability. In order to address these challenges the following has been done: Revenue Enhancement Strategy has been developed by the Municipality to improve its liquidity, Budget Reforms have been implemented and Financial, Asset and Supply Chain Management processes are all being reviewed.

The municipality has not been able to service its debt timeously with Auditor General and also experienced cash flow problems in paying its outstanding creditors as a result of long outstanding debtors. The Credit Control Policy has been reviewed and is being implemented.

KPA 5: Good Governance and Public Participation

The outsourced Internal Audit function managed to prepare the Internal Audit Charter, Risk Assessment Register, Risk Management Policy and Audit Committee Charter. The audits of the performance information and the traffic section were undertaken. A 3-year internal audit plan was compiled. This strengthened the functioning of the audit committee and was able to perform its oversight function.

The performance management framework was reviewed but it remains a challenge. Public participation programs have been conducted through the IDP/Budget Road Shows, Ward meetings and Mayoral outreach programmes.

S CAGA**MUNICIPAL MANAGER**

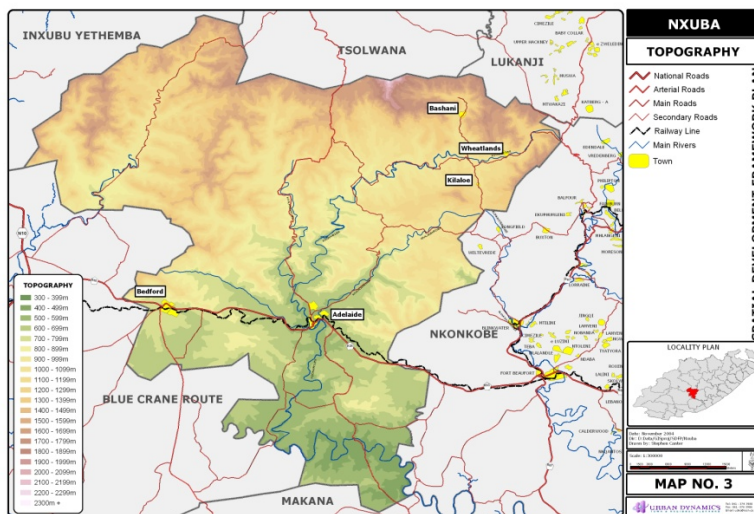
1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

An environmental analysis includes a demographic, socio economic, spatial and biophysical environmental analysis:

Nxuba Local Municipality is situated in the Winterberg region of the Eastern Cape, under the jurisdiction of Amathole District Municipality. It is made up of the towns Adelaide, Bedford and Post Retief. The towns are imbedded with a variety of architecture and steeped in history. The Municipality has a rich historical background dating back to the 19th century with many places of interest and heritage sites that need to be preserved.

The following map represents the geographic location of Nxuba Municipality.



The Nxuba Local Municipality covers an area of 2,749.45km² and constitutes 11.66% of the Amathole District. The physical area is characterised by three distinctive settlement and land use patterns, consisting of its two main urban centres and the rural hinterland, comprising of privately owned farms (including the Winterberg, Mankazana, Cowie Valley, Baviaans River and Smaldeel) where most of the farming activities take place and high lying hinterland which is mainly characterized by mountainous terrain and hills.

The Nxuba Municipal area is abutted by the boundaries of Nkonkobe (East), Lukhanji (North East), Tsoelike (North), Inxuba Yethemba (North West), Blue Crane Route (West) and Makana (South) Municipal areas.

Demographic trends:

The population of Nxuba is 24 264. The population density is low with an average population density of 7.8 people per Km². The population is predominantly female (51.5%) and predominantly African (75%). The largest portion (61.9%) of the population is young and under the age of 35 years, 29.6% are still dependent (1-14), 61.7% are potentially economically active (15-65) and 8.7% are elderly (65+). The high number of dependent children implies a higher burden on the economically active population and organs of state that are providing social assistance

services. 7.6% of the population has some form of disability with more men than women being afflicted. Most of the disabilities are physical.

Socio economic trends:

The area is characterised by poor socio economic conditions. Poverty levels are high with 75.9% of the population earning less than R800 per month and technically falling under the poverty line. This is exacerbated by high levels of unemployment and a high number of potentially economically active people not being economically active (60.8%). Low income levels imply a high dependence on social grants and 32.8% of the population is dependent on social grants. Old age pension and child support grants constitute the majority of grants. Agriculture is the dominant economic activity, followed by community and public sector services with manufacturing and the wholesale and retail trade trailing slightly. The community and public sector services have limited capacity for expansion.

The employment sector is dominated by elementary occupations and occupations requiring low qualification levels. The Municipal area is characterised by relatively low education and literacy levels and 6.3% of the population over 20 years of age have no education while 36.9% have only some form of primary school education. Only 16% of the population has attained Grade 12, in addition only 7.2% have received a tertiary qualification. There are approximately 13 schools in the urban area of the municipality of which just over 17% are Senior Secondary Schools. There are no tertiary education facilities within the municipal area. Fortunately the University of Fort Hare (Alice Campus) is only 60 km from Adelaide.

Health services are provided by the Department of Health who face many challenges. The Department has several programmes in place namely the Saving Mothers, Saving Babies Project and Integrated nutrition programmes. There are 2 Hospitals, 5 Clinics and 1 Mobile clinic.

The average District HIV/AIDS prevalence is 26%. Although the prevalence has stabilised, HIV/AIDS remains a challenge and the Department is concentrating on the management of antiretroviral treatment of infected people. There is also a high level of TB in the region which is commonly associated with HIV/AIDS and the Department is also focusing its attention on the management of TB. Primary health care facilities offer HIV/AIDS testing and counselling services, but there is a shortage of ARV treatment sites with Hospital being the closest one in the District.

Population Details										
							Population '000			
Age	2011			2012			2013			
	Male	Female	Total	Male	Female	Total	Age	Male	Female	Total
0 - 14			6357			6357	0 - 4	1333	1363	2695
15-34			6951			6951	5 - 9	1224	1187	2411
35-64			6302			6302	10 - 14	1112	1063	2175
65+			1866			1866	15 - 19	1215	1169	2385
							20 - 24	958	914	1872
							25 - 29	899	868	1767
							30 - 34	728	750	1478
							35 - 39	732	738	1470
							40 - 44	621	750	1371
							45 - 49	635	794	1429
							50 - 54	545	671	1216
							55 - 59	527	627	1154
							60 - 64	350	446	796
							65 - 69	307	376	683
							70 - 74	240	379	619
							75 - 79	121	232	353
							80 - 84	72	129	201
							85 +	59	130	189
Source: Community Survey 2007 & Census 2011										

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2010/11	2011/12	2012/13
Demographics						
Population		24 224	21 467	21 467	21 467	24 264
Unemployment		4 690		4 690	4 690	4 690
Number of households in municipal area				6 277	6 277	6 691

1.2 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Basic services including the electricity, refuse and roads are mainly provided by the Municipality. These are mainly funded from the equitable share which also provides for free basic services to the indigents. The Municipality is also currently updating its indigent register and has also embarked on data cleansing. The municipality acquired the services of Inquest to help in the collection of revenue and the Electrification of the new area in Bezuidenhoutville, the project will also assist on increasing revenue by decreasing tempering.

Other poverty alleviation programmes that are currently implemented include the Expanded Public Works Programme (EPWP) and Community Works Programme (CWP). The Municipality has completed the cemetery fencing project and is busy with other infrastructure projects like roads and community halls.

1.3 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

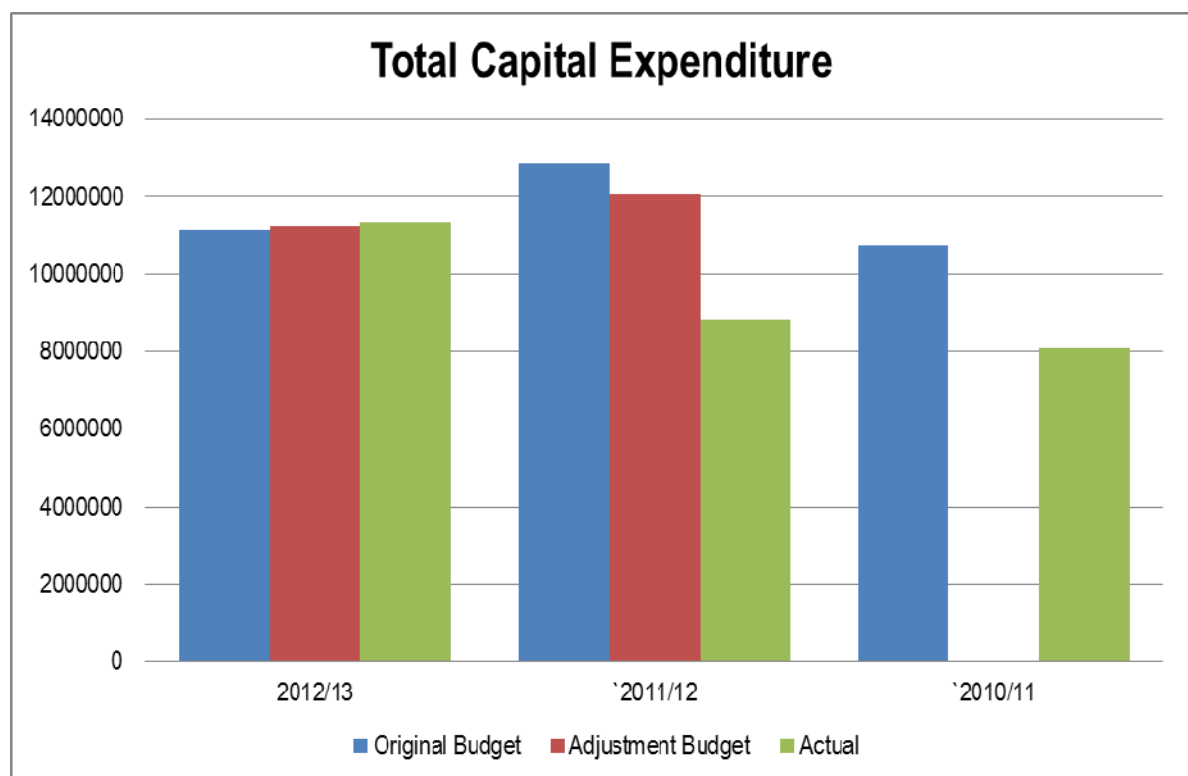
The total budget for 2012/13 financial year amounted to R 67 million. Revenue from grants was R36 million, R27 million from service charges and R3 million being other revenue. The adjustment budget had a deficit due to the municipality taking in account depreciation and provision for bad debts. Actual revenue received amounted to R60 million against adjusted budget of R78 million.

Financial Overview: 2012/13			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	36669990	36669990	34563990
Taxes, Levies and tariffs	27599719	27599719	18853912
Other	3216153	14011240	6617968
Sub Total	67485862	78280949	60035870
Less: Expenditure	67485862	88404718	65476533
Net Total*	0	-10123769	-5440663
* Note: surplus/(defecit)			T 1.4.2
Operating Ratios			
Detail	%		
Employee Cost	39%		
Repairs & Maintenance	2%		
Finance Charges & Impairment	0%		
	T 1.4.3		

OPERATING RATIOS

Employee costs constitute 39 % (including councillors remuneration) of the operating costs , Repairs and maintenance 2 % and finance charges 0.16 %

Total Capital Expenditure: Year 2012/13 -2010/11			
R'000			
Detail	2012/13	`2011/12	`2010/11
Original Budget	11142550	12854250	10754000
Adjustment Budget	11221050	12056158	0
Actual	11335438	8831925	8091942
			<i>T 1.4.4</i>



CAPITAL EXPENDITURE:

For the 2012/13 financial year; capital budget amounted to R11 142 550 and actual spend was R11 335 438, the original budget was adjusted slightly from R11 142 550 to R11 221 050. In the 2011/12 financial year the budget amounted to R 12 854 250, adjustment R12 056 158; actual spent R8 831 925 indicating an under spending in capital programme for the financial period.

1.4 ORGANIZATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The overall annual performance for Nxuba Local Municipality for the period July 2012 to June 2013 is summarised below. This below information is extracted from the municipal service delivery budget and implementation plan, which depicts strategies, indicators, projects and targets set for the reporting period.

Department	Annual Performance 2012/13		
	Total No of Targets	Total Targets Met	% Met
Budget & Treasury	52	41	78,85%
Corporate Services	96	45	46,88%
Technical Department	64	13	20,31%
Municipal Manager	28	16	57,14%
Community Services	24	6	25%
Overall Municipal Performance	264	121	45.83

ANALYSIS OF PERFORMANCE ASSESSMENT RESULTS

The overall performance of Nxuba local municipality for the 2012/13 financial year is 45.83%. This may be caused by a variety of issues ranging from leadership instability in some departments, inadequate filling of documents to support achievements, etc.

The main challenges that the municipality need to grapple with are the inadequate system of filling of the portfolio of evidence, this has manifested to be the downfall of the municipality as in most cases targets were met but evidence could not be located, and the instability in key leadership positions, i.e. Head of department positions

1.5 AUDITOR GENERAL REPORT

The report is attached as annexure.

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Nxuba Municipality is a Category B Municipality (local municipality) as defined under section 3 of the Local Government: Municipal Structures Act No. 117 of 1998.

The Municipal Council has eight Councilors, four of which individually directly represent a specific ward and the remainder represents parties proportionally in the council. After the Local Government elections in 2011, one councilor was proportionally elected to serve on the Amathole District Council to represent Nxuba municipality. The Mayor/Speaker is a full time public office bearer. The Municipality has a Plenary System combined with a ward participatory system.

All Councilors are part of the three standing committees due to the size of the Municipality.

Champions to drive key areas were elected among councilors and also the representatives to the Public Bodies. Municipal Public Accounts Committee (MPAC) was established and five Councilors are members of this committee. Ordinary Council and Committee Meetings are held bi-monthly instead of quarterly due to the size of the Municipality. Standing Rules of Orders and also Delegation of Powers were workshopped and adopted by the newly- elected councilors for their term in office. These however need to be reviewed.

Schedule for Council Meetings was adopted by the Council and meetings are held accordingly and agendas are circulated seven days before the meeting.

After the Council Committees have concluded, officials are expected to implement the resolutions agreed to in that meeting and to submit their reports at the next Council meeting.

The Accounting Officer (Municipal Manager) and section 56 managers attend Council and Standing Committees to represent the municipality's administration and to account in the form of the IDP, budget, strategic and operational plans / Service Delivery and Budget Implementation Plan (SDBIP).

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE



As a plenary municipality Nxuba has a full time Mayor/Speaker. However staff supporting the Mayor/Speaker reports to Municipal Manager for purposes of supervision and control and also because of the fact that the Mayor/Speaker has other political commitments which results in her not to be in the office all the time.

The Mayor/Speaker is elected to provide political leadership and be the custodian of the vision of the municipality. The Municipality has eight Councillors, four of which individually directly represent a specific ward and the remainder to represent parties proportionally in the council. After the Local Government elections in 2011, one councillor was proportionally elected to serve on the Amathole District Council to represent Nxuba municipality. The Municipality has a Plenary System combined with a ward participatory system.

There are three portfolio committees that have been established in terms of Section 79 of the Local Government Municipal Structures Act, (Act 117 of 1998) to serve the following portfolios;

- ⇒ Finance Committee
- ⇒ Technical Services & Community Services Committee
- ⇒ Corporate Services

All Councillors are part of the three standing committees due to the size of the Municipality.

POLITICAL STRUCTURE	
	MAYOR /SPEAKER
	Cllr L.L. Bruintjies
	WHIP
	Cllr Q. Maloni.

COUNCILORS

The Municipality has functional governance structures like Municipal Public Accounts committee (MPAC) and Audit Committee. These Governance structures meet frequently to discuss. Matters pertaining to their scope of work and terms of reference

Municipal Council

Mrs Louisa Leonora (Dolly) Bruintjies	ANC	Mayor /Speaker
Mr Qondile Patrick Maloni	ANC	(PR) Whip
Mr Pasika Jack	ANC	
Ms Bulelwa Pamela Mentoer	ANC	
Mr Sizakele Aubrey Ndyambo	ANC	
Mrs Cecilia Anne Auld	DA	(PR)
Mr Ernst Lombard	DA	(PR)
Mr George De Lange	NCO	

POLITICAL DECISION-TAKING

The Nxuba Local Municipality is a plenary type municipality. It has three (3) standing committees namely; Finance and Estate Committee, Public Works and Trading Services Committee and Community and Health Affairs Committee. Each standing committee has a chairperson assigned to it and meetings are convened on a monthly basis. Recommendations from standing committees are referred to council meetings for resolution and adoption. Ordinary council meetings are held on a bi-monthly basis and once resolutions are taken they are circulated to all Directorates for implementation. Report on progress of council resolution is reported to subsequent council meeting through a council resolution tracking system (job/action card). During the financial year under review all councils were implemented

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Nxuba Municipality has experienced severe institutional challenges over the past few months, including financial constraints and the loss of key personnel. A recovery plan was implemented in the Finance Department and additional assistance rendered by ESKOM to improve systems. These initiatives contributed to the stabilization of the administration and go a long way in restoring the confidence of the community in the institution.

The Constitution indicates that the objectives of local government are:

- To promote democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment and
- To encourage the involvement of communities and community organisations in the matters of local government

A municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. The following are the key functions of Nxuba municipality:

Functions of the Municipality

- -Building regulations
- -Electricity reticulation
- -Fire Fighting
- -Local Tourism
- -Municipal Planning
- -Municipal Roads & Storm water
- -Trading regulations
- -Amusement facilities
- -Billboards and the display of adverts in public places
- -Cemeteries, Crematoria and funeral parlours
- -Cleansing
- -Control of public nuisances
- -Control of undertakings that sell liquor to the public
- -Facilities for the accommodation, care and burial of animals
- -Fencing and fences
- -Local amenities
- -Local sport facilities
- -Markets
- -Municipal abattoirs
- -Municipal parks and recreation
- -Noise pollution
- -Pounds
- -Public places
- -Refuse removal, refuse dumps and solid waste disposal
- -Street trading
- -Street lighting
- -Traffic and parking

By the legislative powers vested in the Nxuba Municipal council, the following By-laws have been promulgated:-

- -Advertising Signs
- -Cemeteries & Crematorium
- -Community Fire Safety
- -Credit Control & Debt Collection
- -Delegation of Powers
- -Impounding of Stray Animals
- -Keeping of Dogs and Other Animals
- -Liquor Trading
- -Neglected Buildings and Premises
- -Prevention of Nuisances
- -Public Open Spaces
- -Solid Waste Disposal
- -Standing Rules for Council

- -Street Trading
- -Use and Hire of Municipal Buildings
- -Ward Committees

Institutional Arrangement

Office of the Municipal Manager

The Office of the Municipal Manager is composed of the staff who provide support and assist with the strategic and operation issues in the office. The office of the Municipal Manager has the following duties assigned to it;

-Internal audit, -Legal services, Intergovernmental relations, Customer care and Integrated Development Plan & Organizational Performance Management.

Key Performance Areas:

- Local Economic Development
- Municipal Transformation and Organizational Development
- Good Governance and Public Participation
- Service Delivery and Infrastructure Development
- Municipal Financial Viability

Corporate Services Department

The Manager for Corporate Services is responsible for; Administration (Surveys and Reports), Community Participation, Communication, Human Resource Management, Registry and Archives, Executive and Council Support, Labour Relations, Planning and Development, -LED, Typing pool & switchboard and Public Participation

Key Performance Areas:

- Local Economic Development
- Municipal Transformation and Organizational Development
- Good Governance and Public Participation

Community Services Department

The Manager for the Community Development Department is responsible for the development and maintenance of community facilities and amenities (gardens, sport fields and pavements), cleansing and street Sweeping, Solid Waste Management and refuse removal (including waste disposal sites), Firefighting, Security Guards, Library services and Traffic control including pounds.

Key Performance Area

- Service Delivery and Infrastructure Development

Technical Services Department

The Manager for Technical Services Department is responsible for; Electricity and reticulation, Roads and Storm water, Building maintenance and Inspectorate, Town Planning (Land use, land sales and subdivisions/rezoning) and Housing Administration

- Service Delivery and Infrastructure development

The Chief Financial Officer is responsible for the Budget and Treasury office; which includes the management of Municipal assets & risks, revenue, debt collection, meter reading, IT, SCM, cashiers, expenditure, salaries and wages, payment of creditors, insurance and valuations.

-Municipal financial Viability



Mr Siphiso Caga

Mr Tabiso Klaas

Mr Welcome Dlomo

Mr R Dolonga

Mr B.V Rosi

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Municipality participates in District IGR structures. These structures are composed of the Technical Task Group and District Mayors Forum. The local IGR structure is mainly utilized to solve problems affecting service delivery as well as shared priorities for development. This process is hampered by the inconsistency of member department's representation to the structures and the attendance of officials who do not have decision making capacity and impact on budgeting processes. This negatively affects integration and the municipality has called upon OTP and DLGTA to address the issue of defaulting Departments.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Nxuba Local Municipality has recognized the potential of strategic partnerships to develop its capacity. The Municipality entered into a Memorandum of Understanding with Nelson Mandela Metropolitan Municipality and other stakeholders such as Public works and others. Nxuba Municipality also works closely with the Amathole District Municipality through the office of the municipal support unit and other departments within the district.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Nxuba has a draft Public Participation Strategy to improve public participation in the affairs of the municipality and needs to re-establish the Local Communication Forum. A wide range of communication tools are used and these include:-

- Winterberg News, The EP Herald
- Imbizo's / Road shows,
- Loud hailing,
- Library;
- Notice boards, and
- Nxuba Municipal Website.

Strategic Objectives of the Strategy

- Enable municipality to effectively and efficiently implement public participation programmes.
- Develop coherent and coordinated public participation programmes that are understood by the municipal constituency.
- Ensure that there is genuine two-way public participation between the municipality and its stakeholders.
- Helps municipality to respond adequately and appropriately to prevailing conditions within its environment.

The Public Participation Strategy shall define amongst other things its audience within the context of the White paper on Local Government, which defines municipal residents:

- As voters.
- As consumers.
- As partners in resource mobilization for development via business, NGOs, etc,
- As participants in policymaking.

Residents in terms of the strategy will further be viewed as:

- Partners in the municipality
- Issue-framers and independent-outcome-trackers.

Ward Committees have been established in all 4 wards. Each Ward Committee is chaired by a Ward Councilor. Ward Committees are established for purposes of enhancing participatory democracy in local government and to make recommendations on any matter affecting their wards through the Ward Councilor. The Ward Committees sit 4 times a year, which means once per quarter and the issues raised during these meetings are tabled to the Council for consideration. During the financial year under review 2012/2013, the ward committees were trained on module 3 of Public Participation and on Module 4 of Roles and Responsibilities of ward committee in order to strengthen their capacity and they are also provided a stipend every month.

The Department of Local Government and Traditional Affairs has also deployed four Community Development Workers, one CDW per ward, in order to bring government closer to the people.

Nxuba Local Municipality has also developed a website, the purpose is to widen public participation as prescribed by Section 21B (1) of the Municipal Systems Act. The following structures have been established and are being coordinated in the Office of the Mayor:-

- Nxuba Youth Council
- Nxuba Disabled Council
- Nxuba Women forum
- Nxuba Elderly Person Forum
- Nxuba HIV/AIDS Council
- Nxuba Sport Council
- Nxuba Local Communicators Forum

The municipality has a dedicated official to deal with the mainstreaming of special groups and efforts will be directed toward Government objective to reduce youth unemployment and other marginalized groups. Municipal procurement and job creating projects are geared not only toward poverty alleviation but also to draw special groups into the economy.

Section 16 (1) of the Municipal Systems Acts requires the municipality to develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for, the local community to participate in the affairs of the municipality, including the preparation, implementation and review of its integrated development plan in terms of Chapter 5;

Informed by the above legislation, Nxuba Local Municipality conducted the IDP/Budget Public hearings in order to get the comments of the community regarding the review of the IDP 2013/14. The issues raised by the community will further inform the review process of 2014/15 IDP.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

Nxuba Local Municipality is legally obliged by Section 62 (1) (c) of the MFMA which requires a municipality to have and maintain an effective, efficient and transparent system of risk management. Nxuba LM Risk Management committee was established on the 18 June 2012. It could not function well due to lack of understanding the responsibilities and duties of the committee, some of the members and chairperson of the committee was appointed in February 2013. The Risk Management Policy was developed and approved by the Council on the 22 May 2013. The Policy is stating all the duties and responsibilities of the committee and the committee has set down to review and get to familiarize themselves with policy. The municipality has requested training from the District Municipality (ADM) for all the members appointed and also to assist with risk Assessment, unfortunately the ADM could not be able to conduct the training during the financial year 12/13 because of non-availability of the facilitator. The ADM has organized the Anti-Corruption Training for Practitioners to be conducted in the next financial year; risk assessment will also be conducted during 2013/14 financial year.

The five risk areas:

- -Inability to collect long outstanding debt
- -No IT framework in place
- -Inability to adequately respond to fires and natural disasters
- -Ineffective document management system
- -Operating an illegal waste site

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality drafted the Fraud Prevention Policy with the assistance of the Department of Local Government. The staff and councilors attended a workshop regarding the policy which was adopted by Council on the 22 May 2013. The risk Management Committee was part of the reviewer of the Fraud Prevention Policy. The Municipality has established the draft Fraud prevention Plan which was submitted to the Audit Committee. The ADM has organized the Anti-Corruption Training for Practitioners which to be conducted in the next financial year.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Nxuba Municipality has established a Supply Chain Management Unit in line with the internal Supply Chain Management Policy. The Nxuba SCM policy has been designed to be fair, equitable, transparent, competitive and cost effective. The policy does comply with the prescribed regulatory framework for municipal supply chain. In the Supply Chain Management policy there are processes which include tenders, quotations, disposals and deviations. The policy does specify which process must be followed for each range of commodities. There are mechanisms and procedures in place to each type of procurement process that is required to be followed. There is flexibility in the process in case of emergency and if the contract is below the prescribed thresholds.

2.9 BY-LAWS

COMMENT ON BY-LAWS:

No by-laws were developed, reviewed and gazetted during the financial year under review.

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	yes	
All current budget-related policies	yes	
The previous annual report (Year -1)	yes	
The annual report (Year 0) published/to be published	no	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	no	
All service delivery agreements (Year 0)	n/a	
All long-term borrowing contracts (Year 0)	n/a	
All supply chain management contracts above a prescribed value (give value) for Year 0	no	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	no	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	no	
Public-private partnership agreements referred to in section 120 made in Year 0	no	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	no	
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		
		<i>T 2.10.1</i>

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The Directorate will during the current financial year work closely with the relevant user departments in ensuring that all the information is placed in the website. The website will be updated with the information on a regular basis.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality has low protest actions and generally has fairly presented its case to its residents. Public participation sessions are held mainly during the IDP / Budget process and through Ward meetings.

Municipality has cash flow problems that affect service delivery but through the Equitable Grant and MIG is able to provide services though not at adequate levels.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

3.1 INTRODUCTION

This part of the analysis provides an overview of infrastructural services which are:

- Roads & Stormwater
- Electricity & Energy
- Water & Sanitation
- Planning & Development
- Housing Services

⇒ *Water and sanitation*

- The Amathole District Municipality is the Water Services Authority (WSA) and the Water Services Provider for the entire Nxuba area.
- Water reticulation is provided by the WSP in the urban areas.
- Adelaide has got insufficient bulk water and ADM has started with a groundwater exploration study in Nxuba to look at alternative options.
- Bucket system is still used in Lingeletu and in some areas of Nyarha. These toilets were upgraded to waterborne facilities although not connected to the system due to the persistent drought and insufficient capacity of the sewerage treatment plants. The municipality is in the process of applying to Human Settlements to facilitate the eradication of bucket system in Nxuba Municipality. Most of the areas that are still using the bucket system must first be formalized.

⇒ *Roads and storm water*

- The provision and maintenance of roads covers the functional areas of the Department of Roads and Transport, the Amathole District Municipality and the Local Municipality.
- The most important transportation distributor is the R63, linking King Williams Town to the N10 and Cradock. The stretch that transverses Nxuba from the direction of Fort Beaufort to the N10 is in a good state of repair. The R63 forms axes with the R67 which is also used as an alternative route to Queenstown via Whittlesea. The R63 road connecting Bedford to Cookhouse has been partially fixed and is in very good condition, however half of this road is in very bad condition. These roads are particularly important for the development of agriculture and tourism in the area.
- The general condition of internal gravel roads within Nxuba is in very poor condition, but most of the have been paved and storm water systems either need to be developed or extensively upgraded. The process of maintaining and upgrading roads is hampered by budget constraints.

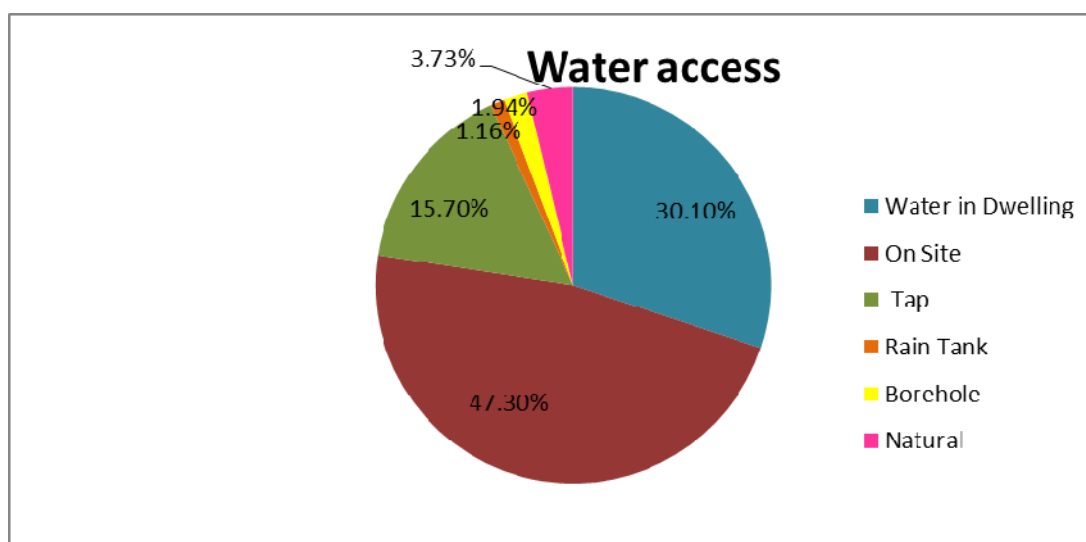
⇒ *Electricity and energy*

ESKOM is the licensed distributor of electricity in the rural area and Nxuba Municipality renders this service in the urban areas of Adelaide and Bedford. Efforts should be intensified to increase the notified maximum demand and faulty meters should be replaced. Electrical network urgently requires servicing and maintaining of which the municipality will put aside an allocation for electrical infrastructure in the next financial year. Audit of electrical connections need to be conducted. The electricians are currently busy with removing all faulty meters and replacing these meters with new ones.

3.2 INTRODUCTION TO WATER & SANITATION PROVISION

The Amathole District Municipality is the Water Services Authority (WSA) and the Water Service Provider for the Nxuba Local Municipality area of jurisdiction and therefore responsible for the planning and provision of water and sanitation services.

WATER PROVISION



Access to water

Municipality	Water in Dwelling	On Site	Tap	Rain Tank	Borehole	Natural	Total
Nxuba	1 891	2 973	984	73	122	234	6 277

93% of the households have access to water within the standard set for RDP provision of which 15.6% consists of taps within a range of 200m. Approximately 7% of the inhabitants use water from tankers, boreholes and other sources. Due to the dispersed farming settlement patterns it is concluded that the majority of inhabitants living in the rural hinterlands make use of boreholes, tanks and other water sources in the rural areas.

Water reticulation is only provided in the urban areas. In June 2009 Nxuba was declared a drought stricken area. Due to the seriousness of the drought and below-normal rainfall conditions, ADM embarked on a groundwater exploration study in Nxuba with funding received from Dept. of Water Affairs.

Adelaide

Adelaide bulk water supply comes from the weir in the Koonap River located 12 km west of the town which gravitates down to a treatment plant. The bulk water is insufficient hence additional water is being pumped from Fish River. There is a water reservoir located in Adelaide Town, Bezuidenhoutville and Lingeletu respectively.

Bedford

Bedford's main supply of water is the Andrew Turpin Dam. The dam is about 60% full but this usually runs dry by end July. Water is then provided by the Fish River pumping scheme. The water treatment plant has been upgraded with funding provided by the Amathole District Municipality.

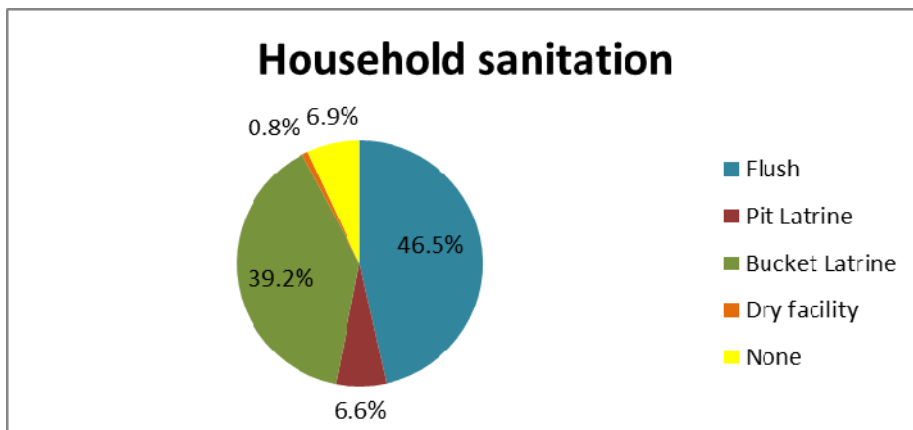
RETICULATION

In terms of reticulation, the two township areas, Lingeletu and Nyarha have 50% and 80% reticulation respectively.

SANITATION

The Statistics South Africa Community Survey of 2007 reveals that a high number (39.2%) of the residents within Nxuba are using a bucket toilet system, 6.9% have no sanitation services and 10% uses pit latrines.

Household sanitation



Type of Sanitation

Municipality	Flush	Pit Latrine	Bucket Latrine	None	Dry facility
Nxuba	2916	414	2461	435	50

The sanitation constraints are mostly being experienced in Lingeletu (100% bucket system) and Nyarha (30% waterborne and 70% bucket system). It should, however be noted that the inadequate sanitation system has been upgraded but not connected to the waterborne sewerage system due to the severe shortage of water and limited capacity of the sewerage treatment plants. No formal sanitation service is offered for rural hinterlands, as these are privately owned farms.

- Other areas in need of proper sanitation include, Ndlovini, Sizakele, Bongweni, Polar Park and the informal areas.

Adelaide

The sewerage treatments works consists of 6 Oxidation ponds and an aerated lagoon with a total volume of 2795 cubic meter, which covers an area of 3.44 ha. The sewer treatment plant at Adelaide poses a health hazard as it is too close to the residential area Lingeletu

There is three pump stations in Adelaide Town and one in Bezuidenhoutville that serve the Adelaide area. A sewerage treatment plant (Phase 1) was constructed during the course of 2002.

Bedford

A sewerage pump station consisting of six oxidation ponds is located on the North-eastern side of Bedford.

Areas of prioritized intervention

- Upgrade / expand capacity of the sewerage treatment plant at Adelaide and Bedford and connected the inadequate sanitation system at Lingeletu and affected portions at Nyarha to the waterborne sewerage system.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Electricity is the function of Nxuba municipality and the objective is to deliver electricity to all the residents of Nxuba. The objective is to eradicate the existing backlog of houses without electricity. Application was made to the department of energy to electrify 450 households during the year under review and it was successful for the amount of R1, 6m. The major challenge that the municipality has faced was illegal connections which was curbed through a project that was registered under EPWP to do inspection on pre-paid meters. The households with illegal connections were disconnected.

ESKOM is the licensed distributor of electricity in the rural area and Nxuba Municipality renders this service in the urban areas of Adelaide and Bedford. Efforts should be intensified to increase the notified maximum demand and faulty meters should be replaced. Electrical network urgently requires be servicing and maintaining. Implement an audit of electrical connections.

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

In the 2012/2013 financial year there was no capital projects for electricity in the IDP. The electricity department experienced alot of challenges in the 2012/2013 financial year due to financial constraints. The financial constraints led to the lack of yearly maintance being done on the reticulation system and that caused a lot of breakdowns. Planning in 2013/2014 Financial Year is in place and projects are registered for installation of high mast lights and to improve electrical network.

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

Waste Management which includes the street sweeping, collection, transportation and disposal of solid waste. The municipality has a Local Integrated Waste Management Plan 2010, with detailed operational management plans.

The Nxuba Local Municipality collects household refuse from the urban areas on a weekly basis. This service is not provided in rural areas. According to the Statistics South Africa Community Survey 2007, 75.3% of households in Nxuba have access to a weekly refuse removal service. More than 20% of households are not provided with this service and are disposing waste on site by either burying or burning. The sparse settlement density and per capital waste generated are normally low therefore the environmental impact should not be significant, especially if managed appropriately.

- Refuse is collected once weekly in all of the urban areas in both towns.
- Refuse is collected twice a week from businesses.

There is one waste disposal site in Adelaide & Bedford respectively. Bedford landfill site is permitted but it is not strictly managed according to the legislation and permit conditions. The permit conditions pertain to the design, construction, monitoring and closure of a waste disposal site. In addition the site is not zoned for waste disposal. The municipality needs to develop Waste by-laws.

The unit is under-staffed and the waste infrastructure is inadequate. The municipality has one refuse compactor truck, one medium truck and a tractor.

3.5 HOUSING

INTRODUCTION TO HOUSING

The majority of Nxuba's population resides in formal dwellings (83.6%) such as a house or flat in a town house cluster. This is confirmed by the Community Survey 2007 data stating that there are 5 246 households living in formal houses. Close on 9% of the population live in informal backyard and squatter community dwellings and a further 6% have traditional dwellings made of traditional materials.

According to the Statistics South Africa Community Survey 2007, 58.1% of the Nxuba population owns their homes. This is lower than the District norm of 65.6% and the Provincial norm of 63%.

The provision of formal housing for low and middle income residents is a core function of provincial and national government, with local municipalities being implementing agents. Nxuba Municipality adopted a Housing Sector Plan 2008 to 2012 and it's currently under review. The need for subsidized housing generates the only real demand for urban space, the bulk of which is primarily for upgrading and to address the existing backlogs.

Nxuba Municipality must as part of its IDP take all reasonable steps within the framework of national and provincial housing legislation to ensure that the inhabitants within its area have access to adequate housing on a progressive basis and that conditions not conducive to the health and safety of the inhabitants of its area are prevented or removed and services in respect of water, sanitation, electricity, road, storm water drainage and

transport are provided in a manner which is economically efficient. In addition the Municipality must set housing delivery goals for its area and identify and designate land for housing development.

The funding to purchase private land for housing purposes no longer forms part of the housing subsidy and the responsibility now rests with the Department of Land Affairs.

The table hereunder reflects the status quo with regard to the blocked projects.

Funding	Status quo	Location
R26 000000.00 Provisional	624 Houses Unblocked	Adelaide Ph 2
	481 Unblocked	Adelaide Ph 1
	172 Assessment report submitted	Zink Structures
	200 Assessment report submitted	Goodwin Park
	161 Busy with assessment	Nyarha

HOUSING BACKLOGS

Approximately 1673 potential beneficiaries appear on the housing waiting list. The total area needed to accommodate the existing demand is 56 hectares, based on the density calculated at 30 units per hectare. An approved layout plan is available and the housing application is being prepared by Amathole DM for a further 250 housing units in Worteldrift Agri-Village and has therefore not been included as part of the backlog hereunder.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Nxuba local municipality provides free electricity (50kwh) per month to each registered indigent household. All the indigent are approved by the indigent support committee.

Free Basic Services To Low Income Households									
	Number of households								
	Total	Households earning less than R1,100 per month							
		Total	Free Basic Electricity		Free Basic Refuse				
			Access	%	Access	%			
Year -2	1,985	1,985	1,985	100%	0	0%			
Year -1	2,286	2,286	2,286	100%	0	0%			
Year 0	2,563	2,563	2,563	100%	0	0%			

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Electricity	556101	13068970	18734561	19241735	32%
Total	556101	13068970	18734561	19241735	32%
					T 3.6.4

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Nxuba local municipality provides free basic electricity (50kwh) per month to each registered indigent household. All the indigent are approved by the indigent support committee.

3.7 ROADS

INTRODUCTION TO ROADS & STORMWATER

The provision and maintenance of roads covers the functional areas of the Department of Roads and Transport, the District Municipality and Nxuba Local Municipality. Nxuba Municipality is guided by the district-wide Amathole Integrated Transport Plan. The Department of Roads and Transport establishes and maintains National and Provincial roads. The construction and maintenance of access roads and local municipal streets is performed by Nxuba Municipality, who are also responsible for ensuring that storm water is effectively managed.

The Department of Local Government and Traditional Affairs allocated R 11,142 000 grant funding for municipal infrastructure, which includes construction and maintenance of roads for the 2012/13 financial year.

The Department of Roads and Transport has contributed to economic upliftment of the area through EPWP Programmes and has funded the municipality with an amount of R 1 000 000. Work opportunities for approximately 220 people have been provided through the EPWP Programme. This initiative employs community members to carry out routine road maintenance for a period of 6 month, at R 1 500 per month.

The Local Roads & Transport Forum is functional and meets quarterly.

The roads in the Nxuba area are generally in a very poor condition as reflected in table 25 below. Roads and Stormwater is a priority issue and the road section has 25 employees to improve and maintain the road network. MIG funding has been utilized to complete approximately 6km paving of access roads, and streets in the towns are receiving patchwork (potholes) which is done with cold premix using in-house funds. Sabunga is however in short supply.

Status of municipal roads and storm water

AREA	STATUS OF MUNICIPAL ROADS
Adelaide Town	Tarred roads are in poor to very poor condition
Bezuidenhoutville	Gravel roads are in a very poor condition. The storm water system needs a lot of upgrading.
Bedford Town	The main road is tarred and not in a bad condition. The rest of the town's gravel roads are in a very poor condition. The storm water system needs upgrading.

Goodwin Park	Most streets are gravel roads and in very poor to dangerous condition. There is no proper storm water infrastructure.
Nyarha	The access road is tarred and in good condition. All other roads are gravel in poor to very poor condition. There is no proper storm water infrastructure.

The Municipality does not have a storm water /pavement management system nor sufficient roads infrastructure. Maintenance is carried out as and when required. Preliminary investigations estimate that in the regions of R200, 000.00 will be needed to purchase the software programme to manage a Storm water/Pavement Management System.

An additional problem is that in some areas the water infrastructure is very near to the surface and this hampers grading and routine maintenance. A co-ordinated approach will be embarked upon by Nxuba in conjunction with Amathole DM to overcome this constraint.

Areas of prioritized intervention

- Develop a storm water / pavement management system; Negotiate with ADM/DR&T for funding to develop a Pavement Management System.
- Develop a road maintenance plan; NLM/ADM/DR&T
- Source funding for the resurfacing of streets including plant ; and
- Facilitate the improvement of road infrastructure. (Integrated Infrastructure Investment Plan)

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

3.8 INTRODUCTION TO PLANNING AND DEVELOPMENT

The nodes in the Amathole District Municipality were identified as Primary Urban Nodes, Administrative Nodes, Secondary Urban Nodes and Urban Service Centers. Adelaide is the Urban Service Centre in Nxuba Municipality. This is seen as a town that provides a higher order level of services to their surrounding hinterland areas. It is also recognized that these towns exhibit trends of population influx and require investment in order to accommodate this pressure. As per Housing Sector Plan, IDP and SDF of the municipality clearly indicate the social and economic analysis of the municipality; in fact it states that almost 7.2% of the population has not received any form of formal education. Further 35.6% only received partial primary education and about 42.3% had secondary education, and only 7.9% completed their secondary education. Tertiary qualification was attained by merely 7% of the total population, of which some of the people with qualifications have migrated to other towns, such as East London and Port Elizabeth.

In terms of addressing the Economic Development challenges the municipality has developed an LED Strategy and was adopted by council. This strategy seeks to address the inequalities in the municipality and to build on the RDP (Reconstruction and Development Program), by focusing on issues of the geographical spread of activity, integration, black economic empowerment, knowledge-led growth, skills development and state responsiveness.

PLANNING

INTRODUCTION TO PLANNING

Land-use planning and development control serve as measurable tools for LED. The assignment of property rights in land and third party enforcement are essential for the efficient operation of markets. Public intervention ensures the separation of incompatible land-uses, integrated planning and development of synergistic land uses, and the 'public goods' aspect of necessary public facilities, open space and infrastructure investment. Land use planning and development control are essential for the existence and operation of land and property markets. For instance, the assignment of and control over land uses will generally reduce transaction costs and can create or enlarge markets.

3.9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Municipality has managed to develop and promote its enterprise development by providing business skills training to its SMME's. The focus in the 2012/13 financial year was on agriculture. The Municipality, together with other Government Sectors, provided communities with food gardens and seeds with the aim that communities have access to green and fresh vegetables to improve their livelihood and alleviate poverty. Funding for LED projects still remains a great challenge in the Municipality. There are Cooperatives that still need assistance like fencing, electrical connections etc for their project that cannot be funded by Local and Regional Economic Development (LRED) and other institutions.

LED Strategy

During the financial year under review, Nxuba Municipality embarked on the process of the development of the Local Economic Development (LED) Strategy. Amathole District Municipality commissioned the appointment of PSKM Development Solutions to undertake the development of the Nxuba LED Strategy in partnership with Local Government and Traditional Affairs (LGTA). The LED Strategy provides a blueprint to stimulate local economic development and job creation within Nxuba. The objective is to provide Economic vision and direction for a strategic decision-making on LED including framework for LED implementation and action plans as well as institutional requirements for implementations.

During the current financial year the Department of Local Government continued to provide assistance and funding for the position LED Assistant.

ACTIVE LED STAKEHOLDERS WITHIN NXUBA MUNICIPAL AREA

The following Government Departments and NGOs played an enormous role in the provision support of LED initiatives:

1. Department of Social Development (Socdev) : Food Security Projects and other SMME's
2. DRDAR (DoA): Siyazondla (give out agricultural inputs like seed, seedling to communities), Comprehensive Agricultural Support Programme (CASP) (fencing of commonages, land lease handing over), funding of piggery, poultry, goats and bringing of bulls for livestock improvement.
3. National Development Agency(NDA): funding for co-operatives, Non-profit Organizations (NPO's), Non-Governmental Organizations (NGO's)

- 4 Department of Economic Development and Economic Affairs (DEDEA): funding of co-operatives and projects. It also conducts small business seminars, workshops for small business and awareness workshops.
- 5 Department of Recreation Sports Arts and Culture (DSRAC): offered a number of social development programmes such as sport programmes,

Intensify enterprise support and business development

Business registrations were conducted by SEDA and Comsec. Small business seminars were conducted by DEDEA and ECDC/Comsec. There are more than thirty (30) SMME's that have been established. Cooperatives Consultation Road show by ADM jointly with Nxuba.

DEDEAT in partnership with SEDA, ADM and Nxuba Municipality hosted a Youth Event Information sharing seminar aimed at addressing youth challenges, promotion of Youth Entrepreneurship to unleash their potential and take lead in any development initiatives that are brought to them to fight unemployment and achieve their destiny.

The following employment opportunities were created through projects funded by Municipal Infrastructure Grant (MIG), EPWP and CWP that have employed more than a 1000 people/households.

Progress towards achieving the LED key objectives:

-Implementation of the Greening and Beautification project that was successfully completed and handed over to the Municipality.

Improve public and market confidence

-The municipality has a spatial development framework which informs all other plans.

-Nxuba Local Municipality continued with the process (phases) of paving its streets giving priority to streets that would lead to economic development

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries, community halls and cemeteries

3.10 INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Community Services Department comprises the following components:

- Libraries
- Community Halls
- Waste Management
- Cemeteries
- Parks, gardens and open spaces

The department has been assisted by the Community Works Programme (CWP) and Expanded Public Works Programme (EPWP) in cleaning and clearing of open spaces as well as litter picking. It also has four parks that were funded by Environmental Affairs under the Nxuba Greening and Beautification Project. These initiatives have assisted the community in poverty alleviation as more than one thousands participants have benefited from these programmes.

Public, social and recreational facilities and amenities

- The municipality has sport facilities in the urban areas, but these facilities are not of the desired standard. Sport and recreation plays an important role in youth development. The under mentioned sports facilities are available in the Nxuba area. Ownership of the golf course and facilities are vested in Nxuba Municipality and leased out, including the day to day maintenance.
- There are 5 community/town halls in the area which are utilized by the community. The conditions of these facilities are generally poor and in need of renovation and maintenance but through CWP (Community Works Programme), Msobomvu Community Hall has been renovated and Goodwin Park Community Hall is under construction.
- The municipality has fenced six Cemeteries which serve the current demand however the municipality should also make provision for land as some cemeteries are almost full. Looking at the death rate they will be full by 2017 and land is a challenge.
- There are three libraries in the Municipal area, one is located in Bedford town and the other in Adelaide town and Bezuidenhoutville respectively of which are managed by the Municipality in terms of a service level agreement with the Province. Nxuba has a low level of crime which is likely to have a positive impact on Local Economic development. Domestic violence and unlawful breaking and entering is the most prevalent crime.

3.11 LIBRARIES; COMMUNITY FACILITIES; OTHER

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

SERVICE DELIVERY PRIORITIES

- Manage the Community Library and provide for the creation, education and information needs of the community.
- Facilitate and implement operation plan and activities of library in formation services.
- Manage library Assets
- Render Library Services

PERFORMANCE MEASURES

- To assist public by registering members
- Implement library rules, layout and guidelines.
- Attend to user's needs
- Compilation of monthly and statistical reports
- Attendance of District meetings
- Attend capacity building of officials.
- Selection of library material
- Receiving of new library material for the District
- Maintaining of stock by means of shelving according to DDC.
- Mending of books
- Weeding of stock
- Assisting with stock taking
- Issue library materials to users
- Conduct information search

- Keeping records of circulation material
- Requisition of professional stationery from the District and alignment of subsidy budget
- Monitoring and control library funds.

ACHIEVEMENTS

- Encouraging users to visit the library regularly which plays a big role in increasing membership.
- Library rules are placed on the notice board and also around the library where users can see them. Some of the users do comply with the rules and those who do not follow the rules are reminded in a friendly manner.
- Monthly Reports are compiled and submitted in a professional manner.
- Library Awareness Programmes and Holiday programmes are conducted.
- Story telling plays part of the ongoing activities in the library to improve children's listening skills.
- Library material is issued out to registered users with specific return date.
- Assist learners on how to search information using encyclopaedias, books and internet.
- Assets are checked every morning when opening the library.

3.12 CEMETERIES

COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIALS OVERALL:

Municipal cemeteries satisfy the existing service demand except for one in Adelaide and one in Bongweni (Bedford) where the current capacity needs to be expanded. Cemeteries also need to be secured in order to ensure preservation of heritage and prevent vandalism of graves and tombstones. This has been done with the MIG funding where the cemeteries were fenced but the community vandalize the fencing as they try to create short cuts through the cemeteries which then make way to cattle to graze on the cemeteries whilst destroying tombstones.

3.13 INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The municipality does not have such facilities as they are a part of Social Development. The municipality only assists in such programs through Special Programmes Unit (SPU).

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and coastal protection.

3.14 INTRODUCTION TO ENVIRONMENTAL PROTECTION

The Air Quality Act makes it incumbent on local municipalities to monitor ambient air quality within its area of jurisdiction. It is accepted that a permanent air quality officer is required to regularly monitor air pollution and analyze the data in areas with heavy industrial emissions due to high industrial development. However in Nxuba there is almost no industrial economy and the air quality is pure and untainted. This situation does not warrant the appointment of a permanent air quality officer thus the municipality is looking at more sustainable solution like partnering with the DEA to monitor the air quality in Nxuba.

COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.15 INTRODUCTION TO CORPORATE POLICY OFFICES

Nxuba Local Municipality is comprised of two (2) administration units namely; Adelaide and Bedford. The seat of governance is located in Adelaide. During the financial year under review the municipality appointed an administrator in Bedford to oversee service delivery and proper management and administration of the office. The municipality also took under review of its organizational structure which was adopted during May 2013. The municipality also took a review and development of various policies namely; Recruitment and Selection Policy, Fraud Prevention Policy, Whistle Blowing policy, Leave Management Policy, Scarce Skills and Retention Policy, Hall Usage Policy, Induction Policy, Internship Policy, Probation Policy, Credit Control Policy, Fruitless and Wasteful Expenditure Policy, Debt Write-Off Policy etc.

Performance of the Council

Nxuba Local Municipality is a plenary type Municipality led by Mayor / Speaker with 7 other Councillors and 4 Wards. The Council meets regularly as per schedule of dates with Council Committees (Standing Committees) also meeting bi-monthly.

There are Rules of Order that guide the operations of the Council.

3.16 Financial Services

Nxuba local municipality provides free basic electricity (50kwh) per month to each registered indigent household. The Nxuba local municipality indigent policy state that the equitable share received annually will be utilized for the benefit of the poor and not subsidise rates and services charges of those who can afford to pay.

DEBT RECOVERY

Details of the types of account raised and recovered	R' 000						
	Year -1		Year 0			Year 1	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	12590	57	R 4,333,730.72	12590	57	10	57
Electricity - B	589	57	R 2,776,278.75	500	57		57
Electricity - C	589	57	R 8,318,774.24	500	57		57
Water - B							
Water - C							
Sanitation							
Refuse	12590	57	R 6,572,407.68	12590	57		57
Other							
<i>B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.</i>							T 3.25.2

3.17 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

- HR plan and strategy have been developed and adopted by the council
- 12 New policies have been developed and work shopped to the relevant stakeholders and adopted by the council.

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2010/11		2011/12- 2012/13			2013/14	2014/15	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>To ensure compliance with legislation</i>	Developed ,reviewed and implemented policies			3 policies developed	Developed ,reviewed and implemented policies	3 policies reviewd and 12 policies were developed	Development of policies		
<i>To ensure corporate services department compliese with all policies and legislation regarding provsioning and retaining of staff</i>	Developed and implemented HR strategy			Drait HR Plan and HR Strategy developed	Drait HR Plan and HR Strategy developed approved and workshoped	Drait HR Plan and HR Strategy developed approved and workshoped			
<i>To ensure the compliance of Skills Development Act</i>	Skills audit			Skills audit conducted	Skills audit conducted	Workplace Skills Plan Report	Organizational development exercise		

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	2	3	2	1	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	50	81	50	31	38%

Financial Performance Year 0: Human Resource Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	125	100	95	-32%
Expenditure:					
Employees	477733	607962	502453	499308	2%
Repairs and Maintenance	0	0	0	0	2%
Other	136080	1663000	1393000	965339	2%
Total Operational Expenditure	195	732	750	744	2%
Revenue- Expenditure	75	607	650	649	6%

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Human Resource has achieved most of its objectives during the financial year under review.

3.18 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

SERVICE STATISTICS FOR ICT SERVICES

- Network Infrastructure upgrade at new Council Chamber
- New Server Room identified in the new building
- Internet upgrade to ensure speed and efficient email access
- Installation of an centralized anti-virus so that the computers can be updated automatic by the server

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	1	1	1	1	100%
Total	1	1	1	1	100%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.27.4					

3.19 Property, legal, risk management and procurement services

On legal – Municipality faced several legal challenges during the year under review, including disciplinary case against several senior officials.

Risk Management remains a challenge in particular the training of Risk Committee and the performance of risk assessment. The Municipality is in the process of appointing departmental risk champions and also provide for a risk official in the organogram.

Procurement Policy was reviewed and the procurement processes are centralised. The challenge relates to the development of procurement plans and to retrain officials and user departments on procurement processes in order to minimize irregular expenditure.

COMPONENT G: ORGANIZATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

Attached as Annexure b

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION: COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water		–	–	–	
Waste Water (Sanitation)		–	–	–	
Electricity		11	8	3	
Waste Management		28	18	10	
Housing		1	1	0	
Waste Water (Storm water Drainage)		5,643	5,530	5,530	
Roads		48	5,530	5,530	
Transport		–	–	–	
Planning		8	1,003	1,003	
Local Economic Development		3	1	2	
Planning (Strategic & Regulatory)		2	1	1	
Local Economic Development	1	2	2	2	
Community & Social Services		26	16	10	
Environmental Protection		–	–	–	
Health		–	–	–	
Security and Safety		12	5	7	
Sport and Recreation		–	–	–	

Corporate Policy Offices and Other		22	14	8	
Finance		24	16	8	
Municipal Manager (office)		9	5	4	
Mayors/Speaker (office)		4	2	2	
Totals	0	5,643	12,062	12,062	

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year -2 10/11		7	36%
Year -1 11/12		6	24%
Year 0 12/13	12	9	20%

COMMENT ON VACANCIES AND TURNOVER:

The municipality is fairly staffed, however due to non-comparative salaries the municipality continues to lose staff and is unable to successfully retain employees.

COMMENT ON VACANCIES AND TURNOVER:

During the financial year under review the following senior management positions were filled namely; Municipal Manger, Director Corporate Services, Chief Financial Officer and Director Technical Services. It must be noted that post incumbents for the position of Chief Financial Officer and Director Technical Services were on suspension during the entire financial year. The only senior management that remained vacant due to no budget provision is the Director Community Services. However, the post is to be filled during 2013/2014 financial year.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

During the financial under review the municipality developed a human resource plan and strategy which was adopted. The aim of the human resource plan and strategy as adopted by the council is to respond to and forecast on human resources needs and capabilities of Nxuba Municipality. It also seeks to align the human resource strategy to the organizational goals as encapsulated in the five (5) IDP as adopted per council. The following human resources were reviewed and developed during current financial year namely; Recruitment and Selection Policy, Employee Wellness policy, Induction Policy, Scarce Skills and Retention Policy, Internship Policy, Leave Management Policy, Probation Policy etc.

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action			
2	Attraction and Retention	√		
3	Code of Conduct for employees	√		
4	Delegations, Authorization & Responsibility		√	
5	Disciplinary Code and Procedures	√		
6	Essential Services			
7	Employee Assistance / Wellness	√		
8	Employment Equity	√		
9	Exit Management			
10	Grievance Procedures	√		
11	HIV/Aids	√		
12	Human Resource and Development	√		
13	Information Technology			
14	Job Evaluation			
15	Leave	√		
16	Occupational Health and Safety	√		
17	Official Housing			
18	Official Journeys			
19	Official transport to attend Funerals			
20	Official Working Hours and Overtime	√		
21	Organizational Rights			
22	Payroll Deductions			
23	Performance Management and Development			
24	Recruitment, Selection and Appointments		√	
25	Remuneration Scales and Allowances			
26	Resettlement			
27	Sexual Harassment	√		

28	Skills Development	√		
29	Smoking			
30	Special Skills			
31	Work Organization			
32	Uniforms and Protective Clothing			
33	Other:			

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty						
Type of injury	Injury Taken	Leave	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days		No.	%	Days	R'000
Required basic medical attention only	N/A		N/A	N/A	N/A	N/A
Temporary total disablement	N/A		N/A	N/A	N/A	N/A
Permanent disablement	N/A		N/A	N/A	N/A	N/A
Fatal	N/A		N/A	N/A	N/A	N/A
Total	0		0		0	0
T 4.3.1						

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	24	90%	10	30	0.15	30
Skilled (Levels 3-5)	40			22	0.26	
Highly skilled production (levels 6-8)	136			58	0.88	
Highly skilled supervision (levels 9-12)	6	95%	2	26	0.04	31
Senior management (Levels 13-15)	230			11	1.48	
MM and S57	65			8	0.42	
Total	501	93%	12	155	3.23	61

COMMENT ON INJURY AND SICK LEAVE:

No injuries during the year under review, the Senior Admin Officer has been on sick leave for a prolonged period and she is currently in the process of medical boarded.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Technical Services Manager		11/4/2012	finalised	21/03/13
Chief Financial Officer		11/4/2012	finalised	24/07/13
Administrator Mayors office		11/4/2012	finalised	31/08/2013
Supply Chain Management Officer		11/4/2012	Resigned (20/10/12)	

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Local Economic Development Officer	Failure to account on municipal monies and properties	Case concluded	22/02/13
Chief Financial Officer	Confidential	Case concluded	24/-07/13

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

All the suspensions cases took more than 4 months, however they have been concluded.

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	n/a
	Male	n/a
Skilled (Levels 3-5)	Female	n/a
	Male	n/a
Highly skilled production (Levels 6-8)	Female	1
	Male	1
Highly skilled supervision (Levels9-12)	Female	3
	Male	3
Senior management (Levels13-16)	Female	2
	Male	2
MM and S 57	Female	n/a
	Male	n/a
Total		12
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as</i>		<i>T 4.6.2</i>

DISCLOSURES OF FINANCIAL INTERESTS

All employees disclosed their financial interests during the financial under review.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.4 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix															
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0												
			Leaderships			Skills programmes & other short courses			Other forms of training			Total			
			No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
Ward 57	Female			5						0	1				1
	Male			5						1	2			1	2
Council services and managers	Female			2						3	3			3	3
	Male			3						2	2			2	2
Technicians and associate professionals	Female			4						2	2			2	2
	Male			3						3	3			3	3
Professionals	Female			3						3	3			3	3
	Male			3						2	2			2	2
Skilled	Female			15						11	12			11	12
	Male			22						15	17			15	17
Total			0	82	0	0	0	0	0	52	58	0	52	58	
Registered with professional Association Body: 94/54														7151	

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
		No.	Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female		N	N					10	20
	Male		O	O	1				21	25
Legislators, senior officials and managers	Female		T	T						
	Male									
Professionals	Female		A	A						
	Male		P	P						
Technicians and associate professionals	Female		P	P						
	Male		L	L						
Clerks	Female		I	I						
	Male		C	C						
Service and sales workers	Female		A	A						
	Male		B	B						
Plant and machine operators and assemblers	Female		L	L	0					
	Male		E	E	0					
Elementary occupations	Female				0					
	Male				0					
Sub total	Female				0				10	20
	Male				0				21	25
Total		0	0	0	0	0	0	0	31	45
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
T4.5.3										

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	
	Male	
Highly skilled production (Levels 6-8)	Female	1
	Male	1
Highly skilled supervision (Levels9-12)	Female	2
	Male	3
Senior management (Levels13-16)	Female	2
	Male	1
MM and S 57	Female	N/A
	Male	N/A
Total		10
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i>		T 4.6.2

COMMENT ON WORKFORCE EXPENDITURE:

The personnel expenditure over the past two financial years has exceeded the National Treasury Normal of 35% (39%).

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

The aim of this chapter is to provide an overview of the financial performance of the municipality, through measuring of results. Good financial management is essential to ensure that financial expenditure is progressive, efficient and promotes accountability. The municipality reflects an inadequate financial performance for the 2012/2013 financial year. Total revenue of R60 million for the 2012/2013 financial year had been received, this revenue is constituted by transfers and own revenue. Equitable share makes up 82% of the operating transfers and is used to provide for services to the community. Due to poverty in the Nxuba area revenue collection is very low, which has a negative effect on the cash flow position of the municipality.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Overview of statement of financial performance by standard

The original budgeted revenue of the municipality amounted to R 67 million, adjusted budgeted amounted to R 78 million and the actual revenue received amounted to R 60 million which is 76.9% of the adjusted budget.

The variance is mainly due to non-payments of municipal services by the community and government departments. Steps have been taken to ensure revenue collection is elevated in the next financial year.

The largest sources of own revenue is rates, electricity and refuse removal.

Budgeted expenditure amounted to R 56 million, adjusted budget amounted to R 77 million; in the adjustment budget non-cash items such as depreciation and provision for bad debts were taken into account which increased the budget. The actual expenditure for the year amounted to R 62 million which is 80% of the adjusted budget.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE TO BE FIXED

Reconciliation of Table A1 Budget Summary															
Description	2012/2013											Year -1			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	1000%	1100%	12	13	14	15
Financial Performance															
Property rates	3,104		3,104			3,104	1,863		(1,241)	60%	60%				
Service charges	24,495		27,544			27,544	16,991		(10,553)	62%	69%				
Investment revenue	-		-			-	-		-	0%	0%				
Transfers recognised - operational	25,527		25,527			25,527	22,835		(2,692)	89%	89%				
Other own revenue	3,216		10,886			10,886	6,618		(4,268)	61%	206%				
Total Revenue (excluding capital transfers and contributions)	56,343	-	67,060	-	-	67,060	48,307	-	(18,753)	272%	425%				
Employee costs	19,993		19,218			19,218	18,349		(869)	95%	92%				
Remuneration of councillors	1,968		2,332			2,332	1,898		(434)	81%	96%				
Debt impairment	89		-			-	-		-	0%	0%				
Depreciation & asset impairment	-		10,124			10,124	-		(10,124)	0%	0%				
Finance charges	-		-			-	-		-	0%	0%				
Materials and bulk purchases	17,816		21,816			21,816	22,240		424	102%	125%				
Transfers and grants	-		-			-	-		-	0%	0%				
Other expenditure	16,477		23,695			23,695	22,990		(705)	97%	140%				
Total Expenditure	56,343	-	77,184	-	-	77,184	65,477	-	(11,708)	376%	453%				
Surplus/(Deficit)	1	-	10,124	-	-	10,124	17,170	-	7,046	0	0				
Transfers recognised - capital	11,143		11,221			11,221	11,143								
Contributions recognised - capital & contributed assets			-			-									
Surplus/(Deficit) after capital transfers & contributions															
Share of surplus/ (deficit) of associate	-		-			-									
Surplus/(Deficit) for the year															
Capital expenditure & funds sources															
Capital expenditure															
Transfers recognised - capital	11,143		11,222			11,222	11,143		(79)	99%	100%				
Public contributions & donations			-			-	-		0						
Borrowing			-			-	-		0						
Internally generated funds			-			-	-		0						
Total sources of capital funds	11,143		11,221			11,221	11,143		(79)	99%	100%				
Cash flows															
Net cash from (used) operating	11,143		1,097			1,097									
Net cash from (used) investing	(11,143)		(11,221)			(11,221)									
Net cash from (used) financing	-		-			-									
Cash/cash equivalents at the year end	3,241		(10,124)			(10,124)									

T 5.1.1

DESCRIPTION	ACTUAL EXPENDITURE 2011	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET %	ADJUSTED BUDGET %
ACCOMMODATION	198 753.00	515 000.00	542 410.00	455 908.10	89%	84%
ADVERTISING	95 543.00	253000.00	219 500.00	176 811.40	70%	81%
AUDIT COMMITTEE	94 450.00	100000.00	135 400.00	102 850.09	103%	76%
AWARENESS CAMPAIGN PROGRAM	108 020.00	40000.00	30 000.00	19 713.37	49%	66%
BANK COSTS	150 000.00	180000.00	164 590.00	151 874.68	84%	92%
CONSULTANTS: GENERAL	107 768.00	200000.00	510 000.00	409 886.52	205%	80%
DEPARTMENTS: WATER FINANCE MANAGEMENT	40 000.00	-	170 000.00	149 122.81		88%
GRANT EXPENSES	1 450 000.00	1500000.00	1 500 000.00	1 415 764.00	94%	94%
FUEL & OIL	414 000.00	455000.00	584 000.00	558 723.03	123%	96%
INSURANCE: GENERAL EXPENSES	816 000.00	861000.00	553 238.00	553 238.08	64%	100%
IT SUPPORT	281 145.00	100000.00	70 000.00	45 731.73	46%	65%
LEGAL EXPENSES	209 514.00	215000.00	497 100.00	496 938.60	231%	100%
LICENSE FEES	42 878.00	46500.00	112 000.00	61 273.66	132%	55%
LOCAL TOURISM ORGANISATION	5 000.00	30000.00	15 000.00	7 298.40	24%	49%
MEMBERSHIP FEES	4 555.00	8200.00	5 280.00	790.00	10%	15%
POSTAGE	221 990.00	255140.00	305 640.00	237 063.67	93%	78%
PRINTING & STATIONERY	219 995.00	212500.00	201 000.00	180 581.90	85%	90%
PROMOTION-SMALL MEDIUM ENTERPRISES	17 000.00	50000.00	30 000.00	17 168.00	34%	57%
PUBLIC PARTICIPATION	30 000.00	50000.00	50 000.00	22 377.19	45%	45%
REFRESHMENTS	32 889.00	50000.00	39 100.00	29 749.10	59%	76%
RENTALS: EQUIPMENT	187 136.00	600000.00	500 000.00	493 615.02	82%	99%
SPU S	40 000.00	150000.00	150 000.00	48 255.00	32%	32%
STORES & MATERIAL	148 071.00	644000.00	235 000.00	80 709.53	13%	34%
SUBSISTENCE & TRAVELLING	259 211.00	446500.00	364 500.00	240 809.58	54%	66%
SUNDRY EXPENSES	-	-	55 000.00	18 150.00		33%
TELEPHONE / FAX / PHOTOCOPING EXPENSES	300 206.00	285000.00	475 000.00	522 936.86	183%	110%
TELKOM: INTERNET	189 505.00	100000.00	245 000.00	211 950.42	212%	87%
TOURISM PROMOTION	5 000.00	50000.00	50 000.00	46 320.00	93%	93%
WARD COMMITTEES	-	480000.00	480 000.00	322 592.64	67%	67%
TOOLS	498 470.00	630000.00	685 000.00	683 768.68	109%	100%
EMPLOYEE STUDY ASSISTANCE	-	120000.00	120 000.00	76 615.74	64%	64%
MEMBERSHIP FEES - SALGA	-	900000.00	950 000.00	844 123.33	94%	89%
EPWP INCENTIVE GRANT EXPENSES	-	1000000.00	1 000 000.00	990 180.26	99%	99%
TOTAL	6 167 099.00	515 000.00	11 043 758.00	9 672 891.39	1878%	88%

5.2 GRANTS

Description	2011/12	Budget years 2012/13							
R (thousand)	Audited outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actuals	YearTD Budget	YearTD Variance	YearTD Variance %	Full Year Forecast
EXPENDITURE									
Operating Expenditure of transfers of grants									
National Government	611	25005	25005	1850	24901	25005	-104	0.40%	25005
National Government Equitable Shares		20983	20983	1754	20983	20983			20983
Finance Management	602	1500	1500	28	1499	1500	-1	0.00%	1500
Municipal Systems Improvement	9	800	800		797	800	-48	-100.00%	800
Intergrated National Electrification Programme		48	48			48	-50	-8.50%	48
Municipal Infrastructure Grant (PMU)		586	586	42	536	586	-11	-1.10%	586
EPWP incentive		1000	1000	10	989	1000	-8	9.60%	1000
Other grants		88	88	15	96	88			88
Provincial Government		522	522	75	774	522	252	48.30%	522
Sport and Recreation		522	522	75	774	522	252	48.30%	522
Total Operating Expenditure of trAnsfers and grants	611	25527	25527	1924	25676	25527	148	0.60%	25527
Capital Expenditure of trnsfers and grants									
National Government	908	11143	11143	2075	10253	11143	-890	-8.00%	11143
Municipal Infrastructure Grant	908	11143	11143	2075	10253	11143	-890	-8.00%	11143
Total Capital Expenditure of transfers and grants	908	11143	11143	2075	10253	11143	-890	-8.00%	11143
TOTAL CAPITAL EXPENDITURE OF TRANSFERS AND GRANTS	1519	36670	36670	4000	35928	36670	742	-2.00%	36670

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Key elements Asset Management Policy

The importance of An Asset Management Policy promotes efficient and effective management, monitoring and control of assets. The objectives of having an Asset Management Policy are:

- To ensure accurate recording of asset information.
- To ensure the accurate recording of asset movements.
- To ensure compliance with Council's Insurance Policy, Supply Chain Management Policy and Payment Procedure.
- To ensure the effective and efficient control, utilisation, optimisation of usage, safeguarding and management of NLM's assets.
- To ensure that all responsible parties are aware of their roles and responsibilities regarding the assets of the municipality.
- To prescribe the accounting treatment of assets acquired and used in accordance with the applicable accounting standards approved by National Treasury.
- To prescribe the Administrative guidelines and internal control procedures to be followed by persons in control of assets with regard to management (including safeguarding and maintenance) of those assets.
- To comply with current legislation.
- To emphasise a culture of accountability over fixed assets.
- To ensure that fixed assets are not written off and disposed of without proper authorization.
- To ensure that preventative measures are in place to eliminate theft, loss and misuse.
- To ensure accuracy of the depreciation charge.
- To ensure a formal set of procedures that can be implemented to ensure that fixed assets and financial policies are achieved and are in compliance with the MFMA.

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TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2012/2013				
Asset 1				
Name	Council Chamber Phase 2			
Description	Council Chamber Phase 2			
Asset Type	Building			
Key Staff Involved	Thulani Malingatshoni			
Staff Responsibilities	Maintenance			
Asset Value	Year -3	Year -2	Year -1	Year 0
				1 411 888.88
Capital Implications	Office Accommodation			
Future Purpose of Asset	Office use			
Describe Key Issues	Lack of employee office Space			
Policies in Place to Manage Asset	Yes			
Asset 2				
Name	Goodwin Park Access Road			
Description	Paved Access Road			
Asset Type	Road			
Key Staff Involved	Thulani Malingatshoni			
Staff Responsibilities	Maintenance			
Asset Value	Year -3	Year -2	Year -1	Year 0
				3 057 516.74
Capital Implications	None			
Future Purpose of Asset	To provide accessibility to township			
Describe Key Issues	None			
Policies in Place to Manage Asset	Yes			
Asset 3				
Name	Fencing of Adelaide Cemeteries			
Description	Fencing of Adelaide Cemeteries			
Asset Type	Cemeteries			
Key Staff Involved	Thulani Malingatshoni			
Staff Responsibilities	To Maintain cemeteries			
Asset Value	Year -3	Year -2	Year -1	Year 0
				229 030.00
Capital Implications	None			
Future Purpose of Asset	Secure Cemeteries			
Describe Key Issues	Demolishing by the community			
Policies in Place to Manage Asset	Yes			
T 5.3.2				

Repair and Maintenance Expenditure: Year 2012/13				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	1308333	1171000	378057	71%

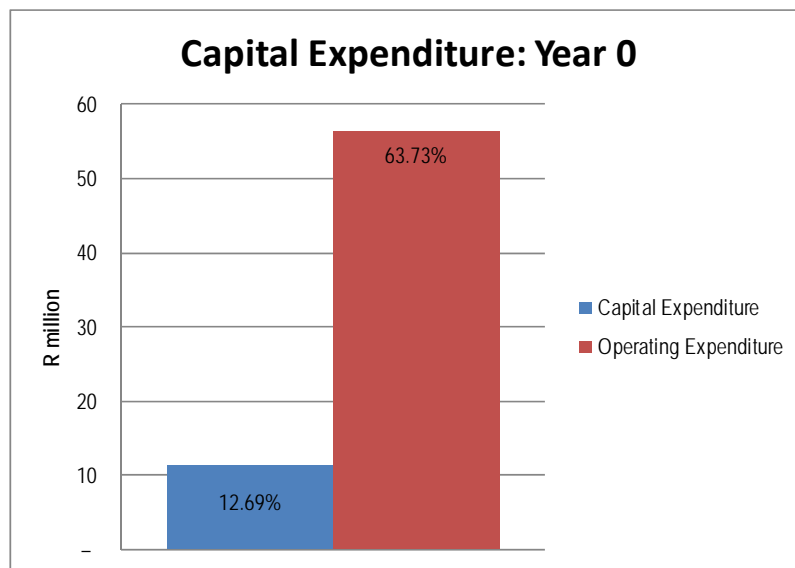
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

There is under spending on repairs and maintenance

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The municipal capital budget is funded by MIG and own funds. Budget for capital amounted to R11 million and actual expenditure amounts to R10 million .Expenditure on capital projects commenced in the 2nd quarter of the financial year which had an impact on the completion of the projects by year end. Three of the capital projects that had been budgeted for during the year under review have not been completed. Two projects from the previous financial year had been completed in the current financial year.



R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	11	11	11	-0.7%	0.0%
	11	11	11	-0.7%	0.0%
Operating Expenditure	56	56	56	0.0%	0.0%
	56	56	56	0.0%	0.0%
Total expenditure	67	88	88	-31.0%	0.0%
Water and sanitation	-	-	-		
Electricity	20	24	24	-18.8%	0.0%
Housing	0	0	0	1.4%	0.0%
Roads, Pavements, Bridges and storm water	19	28	28	-49.6%	0.0%
Other	28	36	36	-27.8%	0.0%
	67	88	88	-31.0%	0.0%
External Loans	-	-	-		
Internal contributions	31	42	42	-35.0%	0.0%
Grants and subsidies	37	37	37	0.0%	0.0%
Other	-	-	-		
	67	78	78	-16.0%	0.0%
External Loans	-	-	-		
Grants and subsidies	-	-	-		
Investments Redeemed	-	-	-		
Statutory Receipts (including VAT)	-	-	-		
Other Receipts	-	-	-		
	-	-	-		
Salaries, wages and allowances			-	0.0%	0.0%
Cash and creditor payments					
Capital payments					
Investments made					
External loans repaid					
Statutory Payments (including VAT)					
Other payments					
	-	-	-		

	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Property rates	3	3	2	35.3%	35.3%
Service charges	24	28	17	30.6%	38.3%
Other own revenue	3	11	4	-39.1%	58.9%
	31	42	23	23.8%	43.5%
Employee related costs	20	19	19	3.9%	0.0%
Provision for working capital	-	-	-		
Repairs and maintenance	1	1	1	10.5%	0.0%
Bulk purchases	18	22	22	-22.5%	0.0%
Other expenditure	44	43	43	2.4%	0.0%
	83	85	85	-2.4%	0.0%
Service charges: Electricity	21	21	21	0.0%	0.0%
Grants & subsidies: Electricity	3	3	3	0.0%	0.0%
Other revenue: Electricity	0	0	0	0.0%	0.0%
	24	24	24	0.0%	0.0%
Employee related costs: Electricity	1	1	1	-5.7%	0.0%
Provision for working capital: Electricity	-	-	-		
Repairs and maintenance: Electricity	0	0	0	22.2%	0.0%
Bulk purchases: Electricity	18	22	22	-22.5%	0.0%
Other expenditure: Electricity	1	1	1	14.5%	0.0%
	20	24	24	-18.8%	0.0%
Service charges: Water	-	-	-		
Grants & subsidies: Water	-	-	-		
Other revenue: Water	-	-	-		
	-	-	-		
Employee related costs: Water	-	-	-		
Provision for working capital: Water	-	-	-		
Repairs and maintenance: Water	-	-	-		
Bulk purchases: Water	-	-	-		
Other expenditure: Water	-	-	-		
	-	-	-		
Txxx					

5.4 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year -1 to Year 0							
R' 000							
Details		2011/12	2012/13				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	0	0	0	0	0.00%	0.00%
	Public contributions and donations	0	0	0	0	0.00%	0.00%
	Grants and subsidies	9669000	11142550	11142550	11142550	0.00%	0.00%
	Other	0	0	79000	79000	0.00%	0.00%
Total		9669000	11142550	11221550	11221550	0.00%	0.00%
Percentage of finance							
	External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Grants and subsidies	100.0%	100.0%	99.3%	99.3%	0.0%	0.0%
	Other	0.0%	0.0%	0.7%	0.7%	0.0%	0.0%
Capital expenditure							
	Water and sanitation						
	Electricity						
	Housing						
	Roads and storm water	1519000	8950550	8950550	7998980	0.00%	10.63%
	Other	0	0	79000	28000	0.00%	0.00%
Total		1519000	8950550	9029550	8026980	0.00%	10.63%
Percentage of expenditure							
	Water and sanitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Electricity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Roads and storm water	100.0%	100.0%	99.1%	99.7%	0.0%	100.0%
	Other	0.0%	0.0%	0.9%	0.3%	0.0%	0.0%
T 5.6.1							

COMMENT ON SOURCES OF FUNDING:

The municipal capital budget is mainly funded by MIG, only a small portion is funded by own revenue. An allocation of R 11 729 000 had been received to implement the capital budget.

5.5 CAPITAL SPENDING ON 5 LARGEST PROJECTS

CAPITAL SPENDING ON 4 LARGEST PROJECTS

Name of project	Original budget	Adjusted budget	Actual expenditure	Original variance %	Adjustment variance %
Traffic department testing centre	2 000 000	2 000 000	1 483 328.81	74.1%	74.1%
Goodwin Park Hall	1 800 000	1 800 000	731 732.00	40.6%	40.6%
Red Township Access road	1 950 000	3 200 000	2 712 959.08	139.0%	84.7%
Bedford town streets surfacing	2 000 000	2 000 000	1 516 736.74	75.8%	75.8%
Total	7 750 000	9 000 000	6 444 756.63	83.1%	71.6%

Expenditure on the largest 4 capital projects amount to R 7 750 000 with amount was adjusted to R 9 000 000; the only variance between the original budget and adjusted is caused by the under budgeting for the Red township access road.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash management is important to the extent of enabling a municipality to meet its service delivery obligations. The more a municipality knows about its cash position, the better the forecast and planning for excessive and/or unexpected expenditure. Investment management enables a municipality to earn the best possible return on surplus cash resources without incurring unnecessary risks.

5.6 CAPITAL SPENDING ON 5 LARGEST PROJECTS

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash management is important to the extent of enabling a municipality to meet its service delivery obligations. The more a municipality knows about its cash position, the better the forecast and planning for excessive and/or unexpected expenditure. Investment management enables a municipality to earn the best possible return on surplus cash resources without incurring unnecessary risks.

EC124 Nxuba -Table C7 Monthly Budget statement -Cash Flow - M12 June									
Description	2011/12	Budget years 2012/13							
	Audited outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actuals	YearTD Budget	YearTD Variance	YearTD Variance %	Full Year Forecast
R (thousand)									
CASHFLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	26 683	30 816	41 610	2824	25 472	41 610	(16 138)	39%	41 610
Government -Operating	21 702	25 527	25 527		22 835	25 527	(2 882)	-11%	25 527
Government -Capital	7 010	11 148	11 148		11729	11 143	586	5%	11 143
Interest									
Dividends	(67 249)	(56 343)	(77 182)	(4 794)	(55 223)	(77 182)	(21 589)	28%	(77 182)
Payments									
Suppliers and employees									
Finance charges									
Transfer and Grants									
NET CASH FROM OPERATING ACTIVITIES	(11 854)	11 143	1098	(1 870)	4 813	1 098	3 715	338%	1 098
CASHFLOW FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE									
Decrease(increase) in non current assets									
Decrease(increase) in other non current receivable									
Decrease(increase) in non current investments									
Payments									
Capital assets	(1519)	(11 143)	(11 222)	-2075	(10 253)	(11 222)	-969	9%	(11 222)
NET CASH FROM USED INVESTING ACTIVITIES	(1519)	(11 143)	(11 222)	-2075	(10 253)	(11 222)	-969	9%	(11 222)
Receipts									
Short terms loans									
Borrowing long term financing									
Increase(decrease) consumer deposit									
Payments									
Repayment of borrowing									
NET CASH FROM FINANCING ACTIVITIES									
NET INCREASE/DECREASE IN CASH AT HAND	(13 373)			(3946)	(5 440)	(10 124)			(10 124)
Cash equivalent at the beginning	963	3241	(10 124)		553	3 241			553
Cash equivalent at the end	(12 390)	3241	(10 124)		(4 887)	(6 883)			(9 571)

5.7 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

BORROWING AND INVESTMENTS

The municipality does not have any borrowings. Call investment accounts for MIG, MSIG and FMG are in place to transfer the grant receipts and earn interest on those funds

COMPONENT D: OTHER FINANCIAL MATTERS

5.8 SUPPLY CHAIN MANAGEMENT

The Nxuba municipality is undertaking a pre-qualification of all bids received during a competitive bidding process. The supply chain management unit adheres to processes to be followed when advertising, opening, registering, recording, evaluating and adjudication tenders. The final terms of the contract are negotiated in certain circumstances. The municipality is using what is stipulated in the Regulations that officials and councillors are required to disclose any conflicts of interest and any business interests they may have. The SCM system ensures that only municipal officials should be involved in the procurement and tender processes.

Councillors are prohibited from participating in the tender processes. The municipality has also prohibited persons who were previously convicted of fraud and corruption during the past five years, who failed on a contract in the past five years, and whose tax matters have not been cleared by SARS. Measures have been put in place to combat fraud and corruption. The municipality has high ethical values, when tenders have been improperly awarded the contracts are invalidated. In line with the Municipal Finance Management Act, the Accounting Officer has established the various Bid Committees. The municipality ensures that the tender process is fair, equitable, transparent, competitive and cost effective to all parties.

Currently there is one official who is working at the SCM Unit. The SCM Policy has been reviewed, which is aligned with the SCM Regulations, Preferential Procurement Policy Framework and other prescriptions prescribed by National Treasury.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

Auditor –General Report on Financial performance: year 2011/2012

Audit Report Status	
Non-Compliance Issues	Remedial Action Taken
1. Performance Indicators not well defined/ verifiable	Performance indicators have been corrected and are SMART.
2. Reported objectives, indicators and targets not consistent compared with planned objectives and targets	The is alignment with Objectives, strategies and targets
3. Performance targets not specific	Performance targets are specific
4. Performance targets not measurable	Performance targets are measurable
5. Reported performance not valid, accurate and complete	Performance is complete valid and Useful

Auditor General Report on Service Delivery Performance

Non-Compliance	Remedial Action Taken
Targets as Indicated on the SDBIP as well as the Annual Performance Report not achieved	Targets on the current SDBIP have been achieved
IDP, SDBIP and Annual Performance report not aligned	IDP, SDBIP and Annual Performance report has been aligned for the current financial year.

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a

GLOSSARY

	Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

COUNCILORS ,COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE					
Council Members	Fulltime /Part time (FT/PT)	Committees allocated	Ward and /party representative	Percentage council meetings attendance (%)	Percentage apologies for non-attendance (%)
Cllr LL Bruintjies	FT	Deputy chairperson of community Affairs	Ward 2	100%	
Cllr Maloni	PT	Deputy chairperson of Public works		100%	
Cllr Jack	PT	Chairperson of Finance and Estate committee	Ward 3	100%	
Cllr Mentoer	PT	Chairperson of community Affairs	Ward 4	98%	
Cllr Ndyambo	PT	Chairperson of Public works	Ward 2	100%	
Cllr Auld	PT	Deputy Chairperson of Finance and Estate committee	PR Councilor	100%	
Cllr Lombard	PT		PR Councilor	97%	
Cllr De Lange	PT		PR Councilor	100%	

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Community and Health Affairs Committee	To report to council on all matters relating to disaster, traffic and libraries.
Finance and Estate Committee	To report on all matters relating finance, human resources and make recommendations to council.
Public Works and Trading Services Committee	count on matters relating to municipal properties, buildings and equipment including their maintana

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager	Mr S. Caga
Corporate Services Manager	Mr T. Klaas
Chief Financial Officer	Mr R. Dolonga
Technical Services Manager	Mr B.Rosi

APPENDIX D – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2012/13

MUNICIPAL AUDIT RECOMMENDATIONS

Date of Committee	Committee recommendations during year 2012/2013	Recommendation adopted (Y/N)
25/07/12	Venus Training - Acting CFO to provide a summary of the training at the next AC meeting indicating "what, who, was it valuable, what is required".	YES
25/07/12	Workman's Compensation Andre Zindlu reported that the Municipality has submitted the annual return. He is busy with negotiations to repay the outstanding balance. Loren Smith stated that the Municipality must provide for the 2012 amount that will be due.	YES
26/09/12	Municipality must finalise the issue of two bank accounts	YES
26/09/12	Michelle Kerr should give a valuation on Venus training made by Rakoma	YES
26/09/12	Rakoma Associates should not leave the municipality so that they can be able to respond to Auditor General issues.	YES
26/09/12	Auditor General should report their strategic plan in the coming steering committee meeting, Audit planning and review of AFS, findings to date.	YES
26/09/12	Joyce Malinga should conduct bank reconciliations on a monthly basis.	YES
26/09/12	Mr S Mxunyelwa from Rakoma should evaluate the plans and delivery and he must present at the next audit committee meeting.	YES
26/09/12	The audit committee members should resolve on the future membership of one of its members who does not participate in the committee on a regular basis.	YES
30/10/12	The MPAC meeting dates should be forwarded to the Audit committee members Chairperson will forward correspondence to MPAC about processes to be followed in relation to meetings.	YES
30/10/12	Fraud Prevention Plan Loren Smith suggested that on the 28 of November 2012 the draft of Fraud prevention plan should be submitted.	YES
30/10/12	Lunga Ntshinga suggested that the roles and responsibilities of Audit committee members in the MPAC should be included in the Charter. Loren Smith mentioned that Larusha Padayachy must effect all the amendments and also change the name of the Audit Committee to be Audit and Risk Committee. Sipiwe Caga suggested that the Audit Committee charter should be submitted to the council meeting in December 2012.	YES
07/03/13	Loren Smith stated that the Municipality must start working on the opening balances. Vicky Ntsodo to give final overs/unders to Joyce	YES

	Malinga, however management will have to refer back to the population.	
07/03/13	Sazi Ndwandwa stated that in preparation for the next external audit, the opening balances must be reviewed by Internal Audit and the Audit Committee before submission to the Auditor General.	YES
07/03/13	Workman's Compensation Joyce Malinga stated that the Municipality has made an arrangement to pay R50,000 per month to the Compensation Commissioner. She further stated that the Municipality has not yet received the assessment based on the figures submitted last year. Loren Smith stated that the Joyce Malinga must investigate whether the Municipality has been assessed for last year.	YES
07/03/13	The Audit Committee resolved that a plan of action be developed specifically in respect of assets. Joyce Malinga to meet with Audit Committee Chair for assistance.	YES
07/03/13	The Audit Committee resolved that an action plan for indigents and the number of indigents must be a standing item on the agenda.	YES
07/03/13	Audit Committee resolved that a breakdown of electricity losses be included in the pack of the next meeting.	YES
07/03/13	Loren Smith stated that the Venus bank reconciliation appears very complicated, opening balances does not agree and she will send a template to Joyce Malinga to complete and present at the next Audit Committee meeting.	YES
07/03/13	The Audit Committee resolved that Mr Marsberg draft a letter from the Mayor to the Auditor General requesting the write off.	YES
07/03/13	No Key Controls Dashboard Report in the pack. This is to be completed and be included going forward.	YES
07/03/13	Final audit report was only issued in March 2013, due to AGSA internal processes around quality and technical disagreements. Mayor to be informed.	YES
07/03/13	Rakoma must provide a close-out report to the Municipal manager before the end of March 2013.	YES
07/03/13	The advert for a service provider to compile the GRAP compliant AFS for 2012/13 has been placed. The Municipal Manager to get a copy of an SLA to use as a guide. Possibly from ADM. The service provider must be monitored properly to ensure that they deliver.	YES
07/03/13	Risk Management – nothing in the pack, however, a Risk Manager and a Risk Committee is now in effect and the next meeting will be provided with relevant reports and feedback.	YES
07/03/13	Audit Action Plan to include progress to date. The report as presented to the committee must have all columns completed.	YES
28/06/13	Submission of Close-out report by Rakoma	YES
28/06/13	Submission of letter to the AGSA from the Mayor for the Audit fees	YES
28/06/13	The lengthy Venus Chart of Accounts must be addressed	YES
28/06/13	Signed commitments section of the Key Control Dashboard must be	YES

	submitted	
28/06/13	Progress report in respect of the Audit Action plan	YES
28/06/13	Payment level of debtors to be included in the financial reports	YES
28/06/13	Update on Rental of Municipal Properties	YES
28/06/13	The Municipality must have a separate policy dealing with whistleblowing	YES

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name(Num ber)	Name of the Ward Councillors and Ward Committee members	Committee establish (Yes /No)	Number of monthly Committee meeting held during the year	Number of monthly report submitted to Speaker Office	Number of quarterly public ward meeting held during year
1.Ward 1	<p>Cllr S.A Ndyambo Ward committee member</p> <ul style="list-style-type: none"> • Mr J.M Prinsloo (Ratepayers) • Sinethemba Mjakuca (Youth) • Gqalisisa Andile (Emerging Farmers) • Jean Lombard (Education) • De Wit Christian (Religious) • Tukani Masixole (Sport) • Sajini Mboyiya (Disable) • Rooiland Samkelo (Health) • Muir Vivian (Business) • Sanadayi Nozipho (Women) 	Yes	Standing Committee meetings and ordinary council meeting are held once in every second month respectively.	Ward committee meetings held regularly, since few reports are submitted to the Speaker Office. The mechanism are in place in terms of ensuring our communication strategy strengthen the Ward committees and various structures.	4
2.Ward 2	<p>Cllr L.L.D Bruintjies Ward Committee members</p>				

	<ul style="list-style-type: none"> • Mcebisi Tembani (Youth) • Patricia de Lange (CPF) • Rangula Ntombizonke (Women) • Bantu Moyo (Community Safety) • Balangile Lungiswa (NGO) • Lindile Sinqana (Disable) • Mavis Mentoer (Religious) • Somi Solo (Tourism) • Toni Thembisa (CBO) • Frans Christian (Sport) 				
3.Ward 3	Cllr P.Jack Ward Committee member Ndlela Vuyani (Sport) Linda Zaku (Church) Yvonne Mahleze (Business) Zingisa Khonza-Jacobs (CPF) Ndzube Glen (Disable) Nomalizo Qengwa (Elderly) Nawule Siphesihle K (Youth) Bana Yandiswa (Women) Baba Monica (NGO)				
4.Ward 4	Cllr B.Mentoer Ward committee member <ul style="list-style-type: none"> • Mlungwana Sindile (Sport) • Mahleza Mpho (Business) • Zolile Calana (Elderly) • Gqebe Grace (CPF) • Micheal Vitialingum (Youth) • Phumeza Mentoer (Women) • Mtwebane N (Religious) • Mange Lwando (CBO) • Mentoer Thembisile (Disable) • Siyabulela Nkawu (Community Safety) 				

APPENDIX F: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX F (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Table below indicates the audited actual revenue for the 2011/2012 financial year and the revenue for the 2012/2013 year. The original budgeted revenue to be collected by the municipality including grants amounted to R67 million; in the adjustment budget the revenue increased due to budgeting for provision for bad debts and depreciation. The Actual revenue collected amount to R60 million for the year.

Vote Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and Council		-	5 213	5 213	-	1 837	5 213	(3 375)	-64.8%	5 213
Vote 2 - Budget and Treasury Office		28 489	6 837	15 577	345	16 736	15 577	1 159	7.4%	15 577
Vote 3 - Finance and Administration		113	5 724	5 724	0	3 864	5 724	(1 860)	-32.5%	5 724
Vote 4 - Planning and Development		-	1 924	1 924	1	1 584	1 924	(340)	-17.7%	1 924
Vote 5 - Community and Social Services		-	522	522	-	522	522	-		522
Vote 6 - Public Safety		1 849	2 125	1 775	205	1 976	1 775	201	11.3%	1 775
Vote 7 - Housing Services		-	253	253	-	152	253	(101)	-39.9%	253
Vote 8 - Parks and Recreation		-	1 182	1 182	-	386	1 182	(795)	-67.3%	1 182
Vote 9 - Waste Management		3 925	6 569	6 569	105	3 164	6 569	(3 404)	-51.8%	6 569
Vote 10 - Roads		7 010	12 729	12 729	-	12 429	12 729	(300)	-2.4%	12 729
Vote 11 - Electricity Department		14 010	24 408	26 814	2 267	17 385	26 814	(9 429)	-35.2%	26 814
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	55 395	67 486	78 281	2 924	60 036	78 281	(18 245)	-23.3%	78 281
Expenditure by Vote	1									
Vote 1 - Executive and Council		3 431	5 369	5 719	379	4 685	5 719	(1 034)	-18.1%	5 719
Vote 2 - Budget and Treasury Office		16 943	7 713	16 076	461	7 294	16 076	(8 782)	-54.6%	16 076
Vote 3 - Finance and Administration		3 126	5 768	5 366	406	5 127	5 366	(239)	-4.5%	5 366
Vote 4 - Planning and Development		6 253	2 713	2 211	132	1 582	2 211	(629)	-28.5%	2 211
Vote 5 - Community and Social Services		1 563	891	936	75	920	936	(16)	-1.7%	936
Vote 6 - Public Safety		2 114	2 060	2 607	192	2 463	2 607	(144)	-5.5%	2 607
Vote 7 - Housing Services		1 563	253	250	26	250	250	0	0.1%	250
Vote 8 - Parks and Recreation		1 563	1 382	1 204	142	1 186	1 204	(18)	-1.5%	1 204
Vote 9 - Waste Management		1 563	2 340	1 892	140	1 787	1 892	(105)	-5.6%	1 892
Vote 10 - Roads		11 579	6 841	16 742	2 606	14 650	16 742	(2 092)	-12.5%	16 742
Vote 11 - Electricity Department		19 069	21 013	24 180	2 311	22 969	24 180	(1 210)	-5.0%	24 180
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	68 768	56 343	77 184	6 869	62 915	77 184	(14 269)	-18.5%	77 184
Surplus/ (Deficit) for the year	2	(13 373)	11 143	1 097	(3 945)	(2 879)	1 097	(3 976)	-362.4%	1 097

APPENDICES

APPENDIX F (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

The table below depicts revenue collection by source based on prior year and current year collections

REVENUE COLLECTION BY SOURCE						
Description	`2011/12	`2012/2013				
	Audited actual	Original budget	Adjusted budget	Actual	Original budget %	Adjusted budget %
Property rates	2 823	3 104	3 104	1 788	57.6%	57.6%
Service charges - electricity revenue	14 010	21 144	21 144	16 184	76.5%	76.5%
Service charges - refuse revenue	3 925	3 351	3 351	1 581	47.2%	47.2%
Rental of facilities and equipment	113	121	121	33	27.3%	27.3%
Interest earned - external investments	84	0	0	1	0.0%	0.0%
Interest earned - outstanding debtors	2 043	0	0	9	0.0%	0.0%
Fines	115	80	80	28	35.0%	35.0%
Licences and permits	1 733	1 315	965	1 817	138.2%	188.3%
Agency services		730	730	65	8.9%	8.9%
Transfers recognised - operational	21 702	24 941	24 941	22 535	90.4%	90.4%
Other revenue	1 836	971	12 116	4 666	480.5%	38.5%
Total revenue (excluding capital transfers)	48 384	55 757	66 552	48 707	87.4%	73.2%

Comparing the original budget to actual revenue collected by source, it is evident that the municipality did not perform well in collecting rates as the variance is 57% against the budget. Other sources of revenue such as refuse agency payments and rental of facilities and equipment; revenue is below 50% as per the original budget.

APPENDICES

APPENDIX G: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		21 702	24 419	24 419	-	22 313	24 419	(2 058)	-8.4%	24 419
Local Government Equitable Share		15 044	20 983	20 983		18 925	20 983	(2 058)	-9.8%	20 983
Finance Management		1 200	1 500	1 500	-	1 500	1 500			1 500
Municipal Systems Improvement		750	800	800		800	800			800
Integrated National Electrification Programme			48	48		-	48			48
	3									
EPWP Incentive			1 000	1 000		1 000	1 000			1 000
Other grants		4 709	88	88		88	88	(0)	0.0%	88
Provincial Government:		-	522	522	-	522	522	-		522
Sport and Recreation			522	522		522	522	-		522
	4									
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Operating Transfers and Grants	5	21 702	24 941	24 941	-	22 835	24 941	(2 058)	-8.3%	24 941

All the conditional grants for 2012/2013 financial year had been received as per allocation of DORA. The total funds received amount to R 3 910 000; these include Finance Management Grant, Municipal Systems Improvement Grant and the Expanded Public Works Programme.

APPENDIX H: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	6 951	6 891	2 075	7 517	6 891	(626)	-9.1%	6 891
Infrastructure - Road transport		-	6 951	6 891	2 075	7 517	6 891	(626)	-9.1%	6 891
Roads, Pavements & Bridges			6 951	6 891	2 075	7 517	6 891	(626)	-9.1%	6 891
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-		-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-		-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-		-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-		-
Waste Management										
Transportation										
Gas										
Other										
Community		-	4 192	4 251	-	2 722	4 251	1 530	36.0%	4 251
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls			1 800	1 800		1 000	1 800	800	44.5%	1 800
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries			392	451		421	451	31	6.8%	451
Social rental housing										
Other			2 000	2 000	-	1 301	2 000	699	34.9%	2 000
Heritage assets		-	-	-	-	-	-	-		-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-		-
Housing development										
Other										
Other assets		-	-	79	-	16	79	62	79.4%	79
General vehicles										
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment										
Computers - hardware/equipment				79		16	79	62	79.4%	79
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class										
Biological assets		-	-	-	-	-	-	-		-
List sub-class										
Intangibles		-	-	-	-	-	-	-		-
Computers - software & programming										
Other										
Total Capital Expenditure on new assets	1	-	11 143	11 221	2 075	10 254	11 221	967	8.6%	11 221

APPENDIX I – CAPITAL PROGRAMME BY PROJECT 2012/2013

This table indicated capital programme for the year and the actual expenditure and variance against the budget and adjusted budget.

CAPITAL PROGRAMME BY PROJECT					
DESCRIPTION	BUDGET 2012/13	ADJUSTED BUDGET	ACTUAL	Original variance %	Adjustment variance %
Roads and streets					
Red Township Access road	1 950 000	3 200 000	2 712 959.08	139.1%	84.8%
Re-gravelling of Bedford streets	1 500 550	250 550	0.00	0.0%	0.0%
Re-gravelling of Red and Bezville streets	500 000	500 000	0.00	0.0%	0.0%
Adelaide streets	1 000 000	940 690	0.00	0.0%	0.0%
Bedford town streets surfacing	2 000 000	2 000 000	1 516 736.74	75.8%	75.8%
Traffic department testing center	2 000 000	2 000 000	1 483 328.81	74.2%	74.2%
Cemeteries					
Fencing of cemeteries	392 000	451 310	451 305.00	115.1%	100.0%
Community halls					
Goodwin Park Hall	1 800 000	1 800 000	731 732.00	40.7%	40.7%

APPENDIX J – CAPITAL PROGRAMME BY PROJECT BY WARD 2012/2013 FINANCIAL YEAR

This table depicts capital projects and if work has been completed or not by year end.

CAPITAL PROGRAMME BY WARDS		
DESCRIPTION	Wards affected	Work completed (yes/no)
Traffic department testing centre	Ward 1	No
Fencing of cemeteries	Ward 1 and 3	Yes
Goodwin Park Community Hall	Ward 4	No
Red Township Access road	Ward 1	No
Re-gravelling of Bedford Town streets	Ward 3 and 4	No
Re-gravelling of Red and Bezville streets	Ward 1 and 2	No
Adelaide town streets	Ward 1	No
Bedford town streets surfacing	Ward 3	No

APPENDIX K – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Nxuba municipality had not made any loans or grants in the 2012/2013 financial year.

CHAPTER 7 – MUNICIPAL KEY PERFORMANCE INDICATORS

7.1 Organizational Transformation and Institutional Development –KPA 1

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	21	15	71%	Lack of funds
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	2	2	100%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	3	2	66.6%	The position were vacant for sometime
4	Percentage of Managers in Technical Services with a professional qualification	0	0	0	
5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	n/a	n/a	n/a	n/a
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	131	131	100%	
9	Percentage of councillors who attended a skill development training within the current 5 year term	8	8	100%	
10	Percentage of staff complement with disability	none	none	none	none
11	Percentage of female employees	38	38	100%	
12	Percentage of employees that are aged 35 or younger	28	28	100%	

7.2 Basic Service delivery performance highlights (KPA 2)

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	5535	450	450	85	20%
2	Percentage of indigent households with access to basic electricity services	2593	0	4000 (the municipality targeted 4000 but couldn't reach the target due to non-registration of indigents)	2593	100%
3	Percentage of indigent households with access to free alternative energy sources	None	None	None	None	None

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH /customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	2500	1637	8km	600	20%
2	Percentage of road infrastructure requiring upgrade	3000	3000	8km	600	20%
3	Percentage of planned new road infrastructure actually	3000	3000	1. Construction of	600	Goodwin park internal

	constructed			1,8km*5m paved access road Red Township access road. 2 Construction of 1.8km*5m paved access road Bedford Town Streets.		streets 100% both projects couldn't be completed in the 2012/2013 financial and had to be transferred to the current financial year 2013/2014. Currently both projects are over 90% complete.
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	3000	3000	R 11 136 000.00 total budgeted for. 51.19% of this amount is allocated towards road construction.	600	90% of the 51.19 % allocated to roads has been spent to date.

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	5 420	620	600	4 880	92%

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	1637	1637	0	0	0 -the informal settlements still needs to be surveyed in order to build RDP houses
2	Percentage of informal settlements that have been provided with basic services	6700	6000	0	0	0 -some of the areas still needs feasibility study
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	7000	1637	0	0	The areas that do not conform to minimum building standard are informal settlement that need to be formalised

7.3 MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.	410 000	274 211	66.88 %
2	Number of LED stakeholder forum held	4	1	25%
3	Percentage of SMME that have benefited from a SMME support program		13	
4	Number of job opportunities created through EPWP	80	120	150%
5	Number of job opportunities created through PPP	Not applicable	Not applicable	Not applicable

7.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	11 142 550	7 806 539	70.06%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	21 507 695.00	22 874 010	34%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Total actual trade creditors as a percentage of total actual revenue		23 674 345	36%
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	35 002 103	31 786 713	90.81%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	50 507 009	55 378 85	+9.65%
6	Percentage of MIG budget appropriately spent	11 729 000	8 392 989	75.32%
7	Percentage of MSIG budget appropriately spent	800 000	792 448	99.06%

7.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	40	40	Established 2011/2012
2	% of ward committees that are functional	100%	100%	
3	Existence of an effective system to monitor CDWs		The CDW are monitored in the office of the mayor/speaker	
4	Existence of an IGR strategy			It is still in draft

				stage
5	Effective of IGR structural meetings	100%	100%	
6	Existence of an effective communication strategy			It is still in draft stage
7	Number of mayoral imbizo conducted	0	0	No mayoral imbizo conducted only public participation were held
8	Existence of a fraud prevention mechanism	100%	100%	There is a plan in place